THE MALADAPTIVE THREATS OF IDENTITY LIMBO AND COHESION RESISTANCE: A QUALITATIVE CASE STUDY EXAMINING THE CHALLENGES OF OVER-INCLUSION AND STATUS AND DOMINANCE CONFUSION

by

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Dedication

This thesis is dedicated to my mother, who taught me to give myself choices in my life, to my father, who goaded me into becoming more than I thought I could be, and to my children who give purpose to this adventure I've chosen.

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Abstract

This doctoral thesis examines the construct of organizational identity of knowledge workers involved in a merger or acquisition, to gain insights into the complex social-behavioural responses of participants to perceptions of imposed integration of social groups. Following a qualitative case study methodology, this study used observation and interview data collection to capture the authentic experiences of participants from the host firm, and from the two acquired groups. The central curiosity guiding this study asked if continuity in subordinate identities, that transition relatively seamlessly from acquired to host organizations, offers the same adaptive or insulating effect against identity threat as superordinate identification. The central thesis proposed that despite the relative consistency between subgroup identities, the involuntary introduction of new members into a work team would continue to arouse perceptions of identity threat and provoke associated efforts to resist assimilation through withholding cohesion-building behaviours.

The data were analysed using Atlas-ti to draw out key themes and patterns. The results suggested a relationship between the different integration strategies applied to the two acquisitions, and the participants' perceptions of the integration. The data also suggested a relationship between levels of identity and reluctance to extend and engage in cohesion-building behaviours among host and adopted participants. Serendipitous findings pointed to potential triggers for the identity-related resistance, that most notably included status and dominance confusion that interfered with perceptions of identity continuity, and resistance to over-inclusion in superordinate and principle identities that lacked salience and distinctiveness.

This paper introduced two new concepts to the field of identity research, including principle identity, and resistance to cohesion building behaviors. This paper also examined the perspectives of knowledge workers, as a distinctive cohort, to gain some insights into if and how a merger of like-professionals is experienced uniquely. Finally, the qualitative case study methodology offered an opportunity to examine the macro-economic contexts of the two acquisitions for relevance, and these contexts were found to be significant to a holistic understanding of the experiences of the integrations.

Glossary

Big B- the collective Principle identity following the merger

Big B Money- the collective superordinate identity and business unit that was formed through the merger of Legacy Money, VAN, and MNP

Identity Limbo – occurs when employees are left without access to the preferred, higher-status identity group, and are reluctant or uninterested in anchoring their identity to the highly available but lower-status and non-salient identity group.

Knowledge workers – professionals who typically possess University-level education or an equivalent professional designation, whose value to the organization is the knowledge they possess, or the thinking and analysis they contribute

Legacy Money – the in-house boutique within Big B that merged with VAN and MNP to form Big B Money

MNP- the boutique US-based firm that was acquired several years prior to the merger, and that only changed its branding at the time of the formation of Big B Money

Principle identity - the identity of the broader organization or parent company

Resistance to Social Cohesion building behaviours- occurs when the in-group members of the dominant organization or work group endeavour to keep transitioning members from the acquired organization or workgroup on the periphery, and resist attempts at social integration, in an effort to defend against perceived dilution of identity

Subordinate identity – work-group/team level, or professional group

Superordinate identity – organization –level, or business unit level

VAN- the boutique firm (primarily focusing on institutional) that was acquired but permitted to retain its branding

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Chapter 1: Introduction

In exploring the extant literature for this thesis I came across an interesting study by Dublin & Niskanen (2003) entitled, "*Translocation of elephants from familiar to novel environments*". This is an interdisciplinary study, but it does seem a bit of a stretch to be perusing the annals of zoology for insights into the social behaviors of well-suited money managers. But, I was drawn into reading this study because it described some interesting observations of animal social behaviour that seemed hauntingly familiar to what I'd observed during my research.

The following is a very brief description of the study, and of the questions it aroused that continued to wrinkle my brow throughout my research. What can we learn from this study of elephants? Perhaps one could make the leap from elephant to Bay St and recognize that forced integration into a new environment arouses counter-productive social responses equally in man and beast. In the paragraph below, replace the words 'elephant' with 'money manager', and the phrase 'food and water sources' with 'photocopier and paper supply', and the paragraph become oddly summative of the research in the pages that follow. It is humbling to note that we aren't so different in our social responses from the animals in the wild. At the least, this proffers an amusing metaphor for this paper. Either way, this wouldn't be the first time that we've seen emotion win over rationality.

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The study by Dublin & Niskanen (2003) examined the social integration behaviours of translocated African elephants. For these elephants, the direct benefits and advantages of sociality with the local residents of their new environment were obvious. Swift integration with the unfamiliar locals, referred to as conspecifics, would help this group of newcomers to locate food and water sources, identify new threats in the novel region, and provide a bigger team of protection against predators and enemies. Integration would also quickly remedy the risk of competition from this local team. Where much of animal behaviour is oriented towards adaptation for survival, it would seem that integration was the only reasonable choice for these homeless elephants, to expedite their acclimation to the unfamiliar new habitat. Counter intuitively, the researchers observed that the new elephants showed a strong preference to associate with their known fellow-translocated elephants (familiar and unfamiliar), and less with the local residents. The study did find that over time the social segregation did decline, but despite the direct benefits of sociality with locals, the elephants chose segregation during the initial integration period when those benefits would have been most advantageous.

What can we learn of the elected social dynamics of groups of people in novel environments? Why would we choose to resist sociality and integration, even when the adaptive benefits of bonding with unfamiliar conspecifics is so overwhelmingly obvious? Why do we resist the comfort and strength of a broader team and instead labour to remain rigidly separate? This thesis research investigates these broad curiosities to gain some insights into why employees fail to deploy the socially cohesive behaviours and activities that could facilitate their integration or the integration of others, into a new, merged collective.

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One of the great themes in the modern corporation is the quest for 'bigger and better'. It is the pursuit of constant growth and the alluring promise of 'synergy' that compels organizations to consider mergers and acquisitions ("M&A") when organic growth fails to keep apace of the vision and appetite of those orchestrating the expansion. It is the desire to be at once the David and the Goliath, to merge the agile benefits of the small but resourceful, with the efficiencies and might of the immense and dominant. Both academic and practitioner literature have focused on retelling the good, the bad, and the ugly of modern-day M&A endeavours, with many more of those stories spilling from the bad and ugly buckets as corporations continue to experience high rates of failure in their M&A activities (Cartwright & Cooper, 1993; 2002). Those piloting the M&A typically default to citing operational, strategic or market–based causes of the failure, despite overwhelming evidence for a cause that is rooted in the 'human' side (Terry & O'Brien, 2001).

Numerous other cases studies have highlighted how the seemingly banal issues of intragroup relations have had dramatic negative impacts on the success of an M&A (Hogan & Overmyer-Day, 1994; Hogg & Terry, 2000). Indeed, the 'us' versus 'them' dynamic has been found to be so powerful that the resistance to surrendering old identities has been blamed with the ultimate merger failure (Blake & Mouton, 1985; Haunschild, Moreland, & Murrell, 1994). This thesis is not an assessment of the success or failure of the focal M&As, but rather an investigation into the social dynamics that hindered or facilitated the human side of those transactions.

The period of change accompanying a merger of two organizations can be characterized by extraordinary levels of ambiguity and uncertainty that have been shown to produce a psychological impact on the people involved (van Knippenberg, van Knippenberg, Monden, & de Lima, 2002). Unequivocal levels of trust, faith and commitment are required from employees and managers at all levels in order to transpose natural anxiety responses into more productive and motivated reactions. Popular practitioner and academic discourse have advised on the deliberate choreography of a merger strategy to mitigate the occurrence and impact of resistance responses. Organizational mergers and acquisitions and their effects on the people involved have been widely studied in social, psychological and organizational literature, with particular focus given to understanding how mergers evoke perceptions of threat and reactions of resistance, in-group bias, and out-group hostility (Hogan & Overmyer-Day, 1994; Buono, Bowditch, & Lewis, 1985; Cartwright & Cooper, 1993, 2002, 2005; Fox-Wolfgramm, Boal, & Hunt, 1998; Nahavandi & Malekzadeh, 1988; Stahl & Voight, 2005; Terry & Callan, 1998).

Social identity theory has offered a broad lens from which to view the human experience with an M&A, with much of the research aimed at understanding how the psychological attachment with the organization informs pre- and post-merger identity (van Leeuwen, van Knippenberg, & Ellemers, 2003), the relative and remaining influence of subordinate identity (Schwarz & Watson, 2005), within group bias (van Leeuwen, van Knippenberg, & Ellemers, 2003; Terry & Callan, 1998), the formation of an emergent identity (Cartwright & Cooper, 1993), general merger resistance (Haunschild, Moreland, & Murrell, 1994), and identity resistance specifically (Fox-Wolfgramm, Boal, & Hunt, 1998). However, there is a marked absence of literature that focuses on how this identity resistance manifests itself among knowledge workers (Drucker, 1989) as a specific subject cohort. With a surge of M&A activity involving so-called ‘knowledge intensive organizations’ (Alvesson M. , 2000) it is important to understand if and how this type of change transaction is experienced uniquely by knowledge workers. Where knowledge workers are particularly known to operate within the presence of multiple, competing identities (Schwarz & Watson, 2005) a social identity framework offers a tangible departure point for unraveling this experience. Additionally, where the coveted assets in an M&A involving knowledge workers is the people and the knowledge they possess, insights into ways to facilitate the cohesive merger of minds could yield those elusive synergistic benefits.

But what happens when those knowledge workers apply emotion over reason in their assessment of the proposed organizational marriage (Cartwright & Cooper, 1993)? What is the impact on the pace and ease of integration when individuals from either or both sides of the M&A assert “that’s not my company anymore – I’m not one of them”? Both anecdotal evidence and results from research studies have shown that the social benefits of uncertainty reduction and self-enhancement provided by organizational identity (Hogg & Terry, 2000) can make the subordinate identity all the more salient in response to the stressors and ambiguity imposed by an M&A (Terry & Callan, 1998). In their studies of real-world mergers Terry & Callan (1998) and Terry & O’Brien (2001) found that this led to general resistance, in-group bias, and rejection of the imposed superordinate identity.

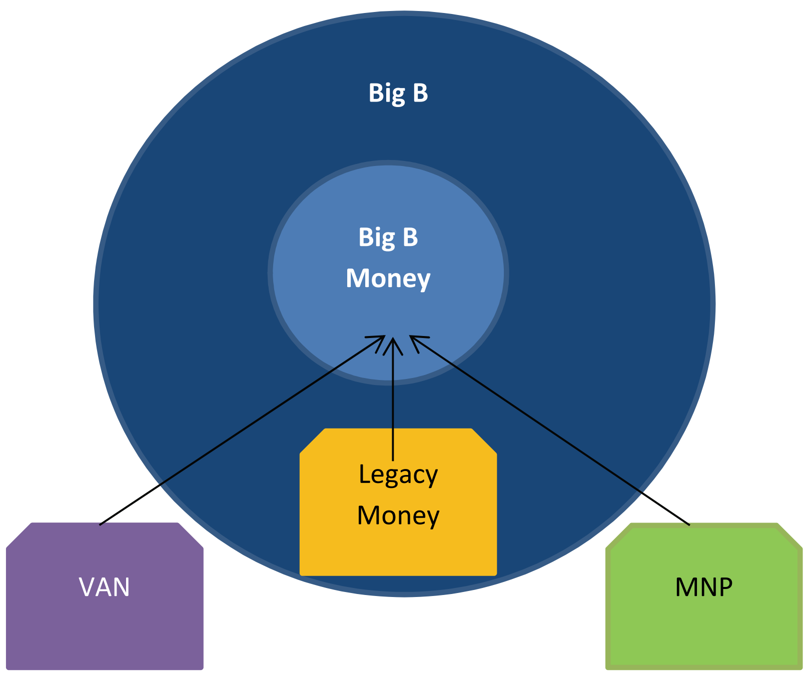
Organizational culture is a relevant and important variable to consider in any study anchored in social identity theory (Hatch & Schultz, 1997) inasmuch as explanations of in-group and out-group membership can be found in the dynamics of organizational culture (Schwarz & Watson, 2005). Indeed, superordinate culture is typically the symbolic context in which a dominant identity is formed and expressed (Hatch & Schultz, 1997), and in which simultaneously, various subordinate identities evolve and operate. At times the definitional boundaries between culture and identity are indistinct, as norms and values merge with behaviours and identity (Willem & Scarbrough, 2006) through social workplace exchanges, thus “forging our identity in the image of our culture” (Hatch & Schultz, 1997, p. 360). How we define ourselves and evaluate group membership is grounded in our cultural assumptions (Hatch M. , 1993), and thus there is considerable alignment between culture and identity.

The importance of cultural symmetry between the host and assimilating groups is both intuitive and widely espoused, however the depth of cultural semblance required to facilitate a successful merger, and the relevant factors of the organizational cultures have received less attention. Similarly, the influence of pre and post-merger identities have been well-studied (Cartwright & Cooper, 1993; Humphreys & Brown, 2002; Jetten, O'Brien, & Trindall, 2002; Terry & Callan, 1998; Terry & O'Brien, 2001), however these case studies offer the unique contribution of exploring the repercussions of competing continuous and discontinuous identities at the subordinate and superordinate levels among knowledge worker cohorts, and the influence of a principle identity that is simultaneously embraced and concealed, and the identity confusion that arises from these competing influences.

The focal firm in this study, Big B (a pseudonym), chose to acquire two small boutique firms that each offered specialized money management expertise and products, and which targeted different client groups in distinct and separate geographic regions (see Figure 1.1: Illustration of Acquisitions and Formation of Big B Money). The objective of the acquisitions was to broaden, increase and diversify the capabilities of its existing money management group, in the hopes that the additional resources and bench strength would add credibility and launch them into bolder competition on a global scale. The two acquisitions occurred approximately 8 years apart, and the integration strategies differed for each.

With the acquisition of MNP (a pseudonym) in 2000, the initial strategy was basically one of catch and release, whereby the boutique was acquired and left to operate with virtually all the same autonomy and branded identity it had enjoyed prior to the transaction. Several years later, this strategy was reversed and the MNP branding was dissolved and the company became absorbed by both the existing superordinate (Legacy Money; a pseudonym) and the principle (Big B) cultures and identities of the host company. The second company (VAN) was acquired by Big B in February 2008, and later merged with Big B's Legacy Money business unit, and with MNP to form the collective known as Big B Money (a pseudonym) on November 1st, 2010.

Figure 1.1: Illustration of Acquisitions and Formation of Big B Money



Throughout the initial acquisition, and eventual merger with Big B Money, the VAN group maintained its boutique branding and identity and continues to be known by its clients and employees by its pre-merger name. The integration strategy for VAN involved some amalgamation on the back end only. With functional roles(e.g. risk assessment, legal, IT, HR) now centralized and shared by all of the arms of Big B Money, and its client-facing roles steadfastly holding to its VAN roots and label, VAN is neither caught-and-released nor caught-and-consumed – it is caught-and-swimming in the partially-concealed tank of its new parent company.

This thesis will begin to investigate which factors of an organization's culture and identity require the greatest congruency, asking generally; to what extent do group-level (subordinate) culture and identity distort that symmetry? Where research has shown the existence of numerous and distinct subordinate identities within a dominant organization-level (superordinate) culture, the likelihood of the ostensible extensive and comprehensive cultural symmetry seem improbable. We look to social identity theory for help in explaining the collective responses to M&A activities that occur as individuals work to align a triad of roles, behaviours, and affiliations with the emerging change patterns (Schwarz & Watson, 2005). Where the adaptive benefits of social identity can insulate individuals from the stressors associated with a merger or acquisition (Gioia, Schultz, & Corley, 2000), the presence of multiple and competing subordinate identities among knowledge workers can create conflict and status struggles that undermine or even counteract those superordinate-level benefits (Humphreys & Brown, 2002).

Additionally, researchers have found that in situations where subordinate groups are nested within superordinate groups, efforts made to erase those subordinate boundaries and unite them into a larger collective have aroused fierce resistance which is often manifested through the tendency of individuals to display intense loyalty to their pre-merger identity group, and to create intergroup bias and competition (Hogg & Terry, 2000), which may be counterproductive to the desired cohesion-building benefits. This research study considers the inverse effect to determine if resistance is also aroused by a strategy that aims at imposing a principle and superordinate identity, but which aims to preserve the subordinate boundaries. This thesis will also endeavour to determine if the resistance that does manifest, targets cohesion-building behaviours among subgroups as predicted.

Borrowing theory from the disciplines of organizational behaviour, sociology and social anthropology, organizational culture is deconstructed into its component parts, centring on superordinate (organization-level) and subordinate (team or group-level) identity and the adaptive functions of identity, as relevant factors relating to resistance responses to an M&A. The two case studies examine super and sub-ordinate identities as potential mediators of resistance to an M&A, building on the work by Van Dijk & Van Dick (2009), which previously established a relationship between identity theory and resistance to change, and borrows from the disciplines of anthropology and social anthropology in the development of the construct of identity.

This study also builds on the work of Ullrich, Wieseke & Van Dick (2005), and of van Knippenberg, van Knippenberg, Monden, & de Lima (2002) which each examined the influence of continuity of organizational identity following a merger, and the work of Jetten, O'Brien & Trindall (2002) which found that strong superordinate identification can mitigate the destructive consequences of losing a salient subgroup identity during a merger. Finally, this study is also informed by the work of Terry et al (2001) on status, and the studies of dominance by Van Knippenberg et al (2002) and van Leeuwen , van Knippenberg, & Ellemers (2003).

Qualitative research methods are employed to gain insights into the following research questions guiding this study;

- *Does continuity in subordinate (professional and workgroup) identities, that transition relatively seamlessly from acquired to host organizations, offer the same adaptive or insulating effect against identity threat as superordinate identification?*
- *Or, despite the relative consistency between the subgroup identities, does the involuntary introduction of new members into a work team still arouse perceptions of identity threat and provoke the associated efforts to resist assimilation.*
- *When resistance to assimilation does occur, does it manifest as withholding cohesion-building behaviours?*

This qualitative study made some unexpected observations that offer a unique contribution to the study of identity-based responses to an M&A. Following in the footsteps of van Knippenburg et al (2002), this study introduces a different emphasis by focusing on post-merger identification at three levels – subordinate, superordinate, and principle levels. This presents a practical shift in emphasis as numerous organizations have, through the process of merger and acquisition, expanded to include multi-layers of structure, and concomitant layers of identity that endure each phase of structural integration. This points to the importance of further research to better understand how strength of identification at each level can facilitate or interfere with merger success, and if perceptions of dominance, status and continuity influence the post-merger experience, and at which level these three factors operate.

This study also revealed that issues of status and dominance confusion at the superordinate and principle levels may contribute to more intense identity resistance and intergroup bias at the subordinate level. This speaks to the tensions that arise from the hackneyed debate over 'who bought who anyways', and 'who's running the show', which in turn creates the practical confusion about where to anchor one's post-merger identity. Where decisions around social identity are largely informed by perceptions of group status (Ellemers, 1993), and where status is often conveyed by dominance (van Knippenberg et al, 2002), this confusion left individuals from both the host and acquired groups in identity limbo.

Finally, it was observed that, contrary to the results from previous research by van Knippenberg et al (2002), the adaptive benefits of sustaining the subordinate identity may run counter to the integrative strategies at the superordinate and principle levels. That in fact, the instability and uncertainty arising from the pressures of the merger itself, coupled with status and dominance confusion, resulted in more salient pre-merger subordinate identities, which in turn produced more within group bias. As pre-merger identities became more significant and protected, some evidence of resistance to a shared principle identity emerged, and was manifested as reluctance to participate in social cohesion-building behaviours. These results seem consistent with the construct of 'identity resistance' initially introduced by Fox-Wolfgramm, Boal, & Hunt, (1998).

This thesis contributes important ideas to the M&A literature that provide new points of inquiry for future research and study. Knowledge of the influence of social identity and resistance responses among knowledge workers could prove invaluable in supporting our understanding of how to mitigate the talent, resource, time and client desertion costs often associated with an M&A, and provide guidance of how to expedite the speed and success of productive assimilation, and win those highly sought-after synergies that initially inspired the M&A transaction.

Chapter 2: Literature Review and Construct Development

Social Identity Theory

Organizational identity research has enjoyed long and dedicated attention, with early study by Gouldner (1957), who distinguished between locals (individuals who were oriented to the organization) and cosmopolitans (individuals who were oriented to the broader values and ideas of the professional community). Since Gouldner's time, literature has shown that these two identities aren't necessarily mutually exclusive or contradictory (Alvesson M. , 2000). According to Gioia, Schultz, & Corley (2000) much of our contemporary study and literature in management studies are anchored in the definitional roots of social identity theory (Tajfel & Turner, 1985) and organizational identity, proposed by Albert & Whetten (1985), which defines the construct as the qualities of an organization that are central, distinctive and enduring. These qualities include the collective understanding of the organization's distinctive values and features that uniquely characterize the organization (Hatch & Schultz, 1997). Where there is shared understanding, combined with perceptions of similarity between individual and group (Haslam, Powell, & Turner, 2000), as well as a balance between needs for inclusion and distinctiveness (Brewer & Pickett, 1999), and a desire for self-enhancement (Abrams & Hogg, 1988; Hogg & Terry, 2000) or uncertainty reduction (van Knippenberg et al, 2002), organizational identification occurs.

Contemporary research has challenged the definition of organizational identity proposed by Albert & Whetten (1985), replacing 'enduring' with 'dynamic' (Gioia et al, 2000). The fragmentationist perspective goes a step further, proposing a possibility for multiple, tiered and situational social identities (Brown, Humphreys, & Gurney, 2005; Karreman & Alvesson, 2001) that exist concurrently and without conflict. It is these convergent perspectives on social identity that inform the interpretation of data for this thesis.

Identification refers to the perception of oneness with a group of persons (Ashforth & Mael, 1989) that is created by a continuous and dynamic process of social comparison. This involves a complex interplay of inward and outward focus, as self-defining qualities of identity motivate individuals to behave in ways that are consistent with this identity (Haslam et al, 2000; van Knippenberg et al, 2002) in order to minimize differences with the desirable prototype, and to maximize distinction from a socially relevant out-group (Ashforth & Mael, 1989). When individuals do select an identity group that provides this balance, a powerful and resilient psychological bond is formed (Ashforth & Mael, 1989). Indeed, the importance of collective membership and the significant effects that group membership can have on behaviour are central to social identity theory, and to this thesis. These arising behaviours have been found to include feelings of attraction toward members of the in-group, social influence, preferential bias towards the in-group, and embellished negative bias of out-group members (Abrams & Hogg, 1988; Hogg & Terry, 2000; Ethier & Deaux, 1994). The stronger and more salient the identity is to a member, the more the individual's attitudes and behaviour are governed by this group membership (Tajfel & Turner, 1986), which can provide adaptive benefits to the individual and the group.

The social adaptive benefits of shared identity have been the focus of much recent study. It has been touted as essential for successful communication, leadership and normative organizational behaviour (Haslam, Postmes, & Ellemers, 2003), and it is said to be the instrument of organization-oriented loyalty and altruism (Willem, Scarbrough, & Buelens, 2008), as individuals tend to work on behalf of the improvement of the group (Barreto & Ellemers, 2000) and to respond collectively to perceived injustices (Simon, et al., 1998). Tyler & Blader (2001) have shown social identity to be a more compelling force for cooperative behaviour than other social exchange relationships. Similar studies have reinforced the social benefits of shared identity, including the tendency for individuals to act in congruence with the salient aspects of the shared identity (Ashforth & Mael, 1989), and the occurrence of intense cooperation beyond personal relationships (Willem et al, 2008),with the cooperative behaviour believed to be motivated by a drive to reinforce the distinctiveness and values of the group.

While several researchers have studied and offered their unique interpretations of organizational identity (Brown M. , 1969; Dutton et al, 1994; Bouchikhi & Kimberly, 1996; Scott

& Lane, 2000; Albert & Whetten, 2000; Gioia, Schultz, & Corley, 2000; Hogg & Terry, 2000; Fiol C. , 2001), the widely-accepted understanding of the 'identification' across the disciplines is associating oneself with those desirable qualities. Also referred to as self-categorization (Haslam, Powell, & Turner, 2000; Hogg & Terry, 2000) individuals define themselves in terms of their membership in desirable social categories, adopting characteristics that are typical of these categories, and aligning with archetypal perceptions, attitudes, and behaviours of the group (van Knippenberg et al, 2002). Ultimately, identification is based on trust (Kramer & Wei, 1999), and answers the questions, who are we?, and, who are they? (A, 2000), as well as who were we?, and (envisioned identity)who do we want to become?, (Markus & Nurius, 1986; Gioia et al, 1996; Fox-Wolfgramm et al, 1998).

Organizational identity is related to, but distinctive from organizational reputation, as the latter refers to external beliefs about an organization's attributes, whereas the former refers to internal perceptions of those attributes (Scott et al, 2000; Gioia et al, 1996). Gioia et al (1996) distinguish between internal and external perceptions of an organization's attributes, identifying image as the reflection of external appraisals, or how group members believe that others view their organization; what Dutton et al (1991) refer to as construed external image. In their study of the New York Port Authority, Dutton et al (1991) found that image preservation can likewise compel action from group members, as their focal organization in the study was prompted to act (in this case, to respond to the homelessness problem) only when members of the organization reported that they felt a threat to the group's identity due to the negative image associate with non-responsiveness. Where image perceptions are understood to reflect the transference of desired and distinctive traits of the group, this study does capture data on 'image' perceptions to help illustrate the collective construction of identity.

Previous research has found that strong organizational identification may be related to several desirable outcomes associated with organizational success (Aldrich & Fiol, 1994), such as intra-organizational cooperation or citizenship behaviours (Dutton et al, 1994), organizational adaptation (Dutton & Dukerich, 1991; Elsebach et al, 1996; Gioia & Thomas, 1996), creation of a sense of meaningfulness and connection that lends itself to persistence (Albert & Whetten, 2000), formation of more unified and cohesive groups which in turn can drive performance (Castanias & Helfat, 1991), enhanced member commitment to the group (Ellemers, Kortekaas, & Ouwerkerk, 1999) and to the organization, and retention of a loyal workforce during times of change which can award greater adaptability to change (Pfeffer, 1994). That these purported advantages to strong organizational identity can paradoxically become liabilities during a merger or acquisition (Fiol C. , 2001), will be explored in detail further in this paper.

Individuals vary in how much they identify with the organizations they work for (Dutton et al, 1994). The more intensely members identify, the more they associate the defining attributes of the organization with the defining attributes of themselves (Dutton et al, 1994). Salience of the organization's identity is enhanced as the number of emulated individuals increases; and this in turn amplifies member identification (Ashforth, 1998). This reinforcing cycle generates a sense of unity that can give momentum to collective efforts (Fiol C. , 2002) and stabilize the endurance of the identity, which in turn may be essential to the long-term success of the organization (Albert & Whetten, 1985).

Several researchers have endeavoured to understand the drivers of identification and believe that individuals seek consonance between their own self-concept and the perceived organizational identity because it allows for less restraint in self-expression (Shamir, 1991) and freer sharing of one's true self and true values (Dutton et al, 1994). Organizational identity has several adaptive and supportive purposes, including addressing a member's need for belonging, prestige, and attractiveness (Ashforth & Mael, 1989), reducing uncertainty (Hogg & Terry, 2000), satisfying the need for inclusion by pronouncing distinctions from out-groups (Brewer & Pickett, 1999), and fulfilling a member's need for order, structure, simplification, and predictability (Hogg & Terry, 2000). It is in these latter features that we find the paradox of organizational identity in times of change (Fiol C. , 2002) such as an M&A.

Understanding Organizational Identity: A Multidisciplinary Perspective

Discipline 1: Social Anthropology

Social anthropology has traditionally explored the concept of identity from the perspective of 'ethnic identity', whereby sameness is evaluated by the sharing of certain essential characteristics within a group, such as language or culture (Sokefeld, 1999). Central to this notion of consciousness of sameness is the awareness of self, a notion that finds its roots in the cognition work of Descartes. Thinking around identity in the social sciences has since evolved and focuses primarily on conditions of difference and plurality (Sokefeld, 1999). Difference highlights the contrastive qualities of identity, a condition that parallels the concepts of in-group/out-group that is central to identity theorists working in the Organizational Behaviour discipline. Within an organization, this 'claim of uniqueness' (Martin, Feldman, Hatch, & Sitkin, 1983) serves to highlight the distinctive competence or attributes of a group which research has shown can provide the adaptive outcomes of fostering commitment (Pettigrew, 1992) and further sharpening boundary distinction (Martin et al, 1983).

Plurality postulates that identity can-not occur as a singularity, but that identity only exists when there is more than one set of essential and distinctive characteristics (Sokefeld, 1999). Awareness of difference is achieved through signification or the consciousness of one element or characteristic of identity as it refers to another, and thus plurality and consciousness are two pre-conditions for difference. It is because identity is constructed in reference to other contrasting identities, and because the meanings of those identities, characteristics and differences are constantly transforming, that social anthropologists argue that identities are constantly evolving (Sokefeld, 1999). This contrasts the thinking in other disciplines that have defined identity in terms of the stable and enduring qualities of a group (Albert et al, 1985) and provide an interesting perspective for interpreting data regarding identity threat and stability following a merger. The conditions of difference and plurality are central to the definition of identity being employed for this thesis.

Discipline 2: Organizational Behaviour

Social Identity literature from the discipline of Organizational Behaviour tends to focus on the relationship between employees and their organization, and looks at social identity as an underlying process in teams and their behaviour and outcomes (Hatch & Schultz, 1997; Ashforth & Mael, 1989; Dutton, Dukerich, & Harquail, 1994). Early theorists from the discipline of organizational behaviour extended the work of their social anthropology counterparts, focusing on the condition of distinction. According to Social Identity Theory (SIT), personal identity defines the individual in a manner that distinguishes them from other members of an in-group (Turner, 1982). In contrast, social identity involves characteristics or behaviours that are shared with other members of an in-group, but not with members of an out-group, and which distinguishes teams or groups in a way that is very important to the members of that group (Brewer, 1979; 1986; Hirt et al, 1992). The stronger the team identity, the more each member will define themselves in terms of the group rather than as an individual (Brewer M. , 1979), and research has found that positive esteem is derived from strong associations with a group (Tajfel & Turner, 1986; Dietz-Uhler et al, 1998). When individuals desire membership in a team, strong social identities have been found to unify employees into groups with such cohesiveness that they come to think and behave similarly (Tajfel & Turner, 1986; Lembke & Wilson, 1998). Haslam et al (2000) have found that strong social identities can lead team members to perceive that their ideas, attitudes and beliefs are interchangeable, and the more salient the social identity, the greater influence these perceptions can have in guiding behaviour (Haslam et al, 2000).   Hinds and Mortensen (2005) highlight the importance of identity salience in arousing the adaptive and cohesive benefits of identity, which may have relevance for predicting identity resistance to a merger, especially emotional resistance in the form of effort-withholding behaviours (Shapiro, Furst, Spreitzer, & von Glinow, 2002).

Additional research focusing on the cohesive functions of powerful social and team identities have posited theories on the dramatic reactions that can arise from perceptions of a threat to that identity.   The work of Van Der Vegt & Bunderson (2005) emphasizes the emotional component of identification (team level affective commitment) in motivating action, engagement and disengagement in collective effort. Other researchers have also considered sub- and super-ordinate level identification and have shown that inducing an inclusive superordinate identity reduces overt behaviours aimed at highlighting and reinforcing differences between group identities at the sub-level. This research study seeks to determine if the inverse also occurs, whereby emphasis on the similarities at the group-level actually alleviates the negative effects of identity threat at the superordinate level.

To illustrate how SIT may provide a framework for understanding the research questions for this research study, we can look to the study by Dietz-Uhler et al (1998) which examined people's reactions and coping responses to a threatened identity. Research has repeatedly shown that people are motivated to maintain a positive social identity (Tajfel & Turner, 1979; 1986). This 'maintenance motivation' is related to the desire of individuals to belong to social categories that enhance their own value (Lembke & Wilson, 1998; Breakwell, 1983), and who thus want to preserve that value. This notion of 'common fate' has been shown to trigger team behaviour (Lembke & Wilson, 1998), with benefits realized by teams with greater cohesion.

The landscape of an organization undergoing change such as an M&A is typically characterized by unpredictability, chaos, and complexity. Strong identity can insulate individuals from the corrosive effects of change, and thus, change that occurs within the boundaries of the existing identity can benefit from the adaptive comforts that strong identity affords. But, change that stretches the limits of the current identity can be met with an unrelenting tension to preserve identity that manifests itself as employee resistance to the change (Starbuck, Greve, & Hedberg, 1978; Fiol, 2002). Fiol (2002) refers to this phenomenon as the paradox of a highly identified workforce, whereby an adaptive force that drives organizational achievement suddenly reneges and turns on its own, rendering the workforce at odds with the ambitions of the organization (Fiol, 2002), and reluctant to adapt to competitive requirements commanding change (Brown & Eisenhardt, 1997).

Fox-Wolfgramm, Boal, & Hunt (1998) offer a tentative theory of identity resistance that may offer some insights for the current study. According to Fox-Wolfgramm et al (1998) identity resistance occurs from a lack of convergence between current identity and image and the envisioned identity and image. This theory draws on previous research by Dutton & Dukerich (1991) that found individuals are motivated to resist pressure for change when that pressure is in opposition to current identity or image. This notion is further supported by Elsebach & Kramer (1996) who found that threats to identity can result in efforts to resist the threat and preserve identity and image. Gioia et al (1996) concur, but emphasise the importance of envisioned identity and image, arguing that it is not simply preservation of the existing identity that motivates resistance, but the inability to connect current with envisioned identity and image that builds the perception of threat. The articulation of change communicates the discrepancy between current and envisioned identity and image (Gioia et al, 1996), and if this discrepancy is too great, or the envisioned identity and image are unappealing, individuals will be motivated to resist. For example, in a study by Fox-Wolfgramm et al (1998) looking at defender and prospector banks undergoing a merger, it was found that both groups resisted change because the proposed changes did not fit their respective perceived identities.

Insights from this discipline suggest a unique interpretation of identity resistance to be explored in this study. The perception of threat may be enough to trigger identity resistance which this study hypothesizes, and may manifest itself in resistance in the form of withholding cohesion-building behaviours. Perceptions of identity incongruence at the superordinate and/or principle levels may exaggerate the perceptions of identity misalignment at the group-level, motivating withholding behaviours that in a self-fulfilling cycle, pronounce the perceived differences and justify the preconceptions of distinctions between otherwise similar subgroups. For a summary of the insights gleaned from each of the disciplines, see Table 2.1: Analysing the Insights from the Disciplines.

Discipline 3: Social Psychology

The identity research of scholars in social psychology originated in the national and ethnic membership work of their social anthropology peers, and evolved to consider organizational membership in their study of the shifting of social identities in response to change in social contexts (Jetten et al, 2002). It is a commonly held assumption that organizational identity has several adaptive and supportive purposes, including addressing a member's need for belonging, prestige, and attractiveness (Ashforth & Mael, 1989), reducing uncertainty (Hogg et al, 2000), satisfying the need for inclusion by pronouncing distinctions from out-groups (Brewer & Pickett, 1999), and fulfilling a member's need for order, structure, simplification, and predictability (Hogg & Terry, 2000).

The work of researchers in this discipline offer several insights that have informed the research questions and theoretical considerations of the proposed study. Defining identification as the extent to which employees experience a sense of commitment and involvement with their work-team and organization, Jetten et al (2002) share the perspective that perceived loss of an identity or a permanent change to the meaning of the identity is likely to attenuate those adaptive purposes and have a significant impact on the individual. The research of van Knippenberg et al (2002) explores the importance of a sense of continuity between the pre- and post-merger identities, and also highlights the significance of organizational dominance in bolstering or diminishing that sense of continuity and associated perceptions of identity threat. Jetten et al (2002) elaborate on this work, focusing on continuity of identities at the subgroup and superordinate levels to determine if continuity at the organization level can mitigate the repercussions of identity threats at the lower levels. In a separate study, Jetten et al (2002) explore the influence of perceptions of centrality of identity on individual self-esteem. Terry & O'Brien conducted a 2001 study aimed at examining how status perceptions informed responses to a merger. This study found that individuals from low status groups had the most negative responses, displaying less identification with the new organization and perceiving higher levels of threat. Additionally, the new common identity had less salience for these low status group members than for their higher status counterparts. Each of these concepts of continuity, dominance, status, and centrality are considered in this thesis insofar as they relate to withholding cohesive-building behaviours.

Table 2.1 : Analysing the Insights from the Disciplines

Discipline	Insight into the question	Assumptions and Key Concepts
Social Anthropology	Difference Plurality	• Claim of uniqueness fosters commitment to the group • Identity is constructed in reference to other contrasting identities, and because the meanings of those identities, characteristics and differences are constantly transforming, that social anthropologists argue that identities are constantly evolving
Organizational Behaviour	In-group, out-group Salience Effort withholding behaviours Team-level affective commitment Paradox of highly identified workforce Identity resistance	• When individuals desire membership in a team, strong social identities have been found to unify employees into groups with such *cohesiveness* that they come to think and behave similarly • the more *salient* the social identity, the greater influence these perceptions can have in guiding behaviour • Salience arouses cohesive qualities • Affective commitment (identification) motivates action, engagement and disengagement in collective effort • Identity is an adaptive force that drives organizational achievement, but may in turn render the workforce at odds with the ambitions of the organization reluctant to adapt to change that threatens identity • Threats to identity can result in efforts to resist the threat and preserve identity and image • Perceived loss of an identity or a permanent change to the meaning of the identity is likely to attenuate adaptive qualities of identity
Social Psychology	Continuity Organizational Dominance Centrality Status	• Importance of continuity between pre-post- merger identities, and organizational dominance and perceptions of centrality may mitigate perceptions of identity threat • The power or authority conveyed by the legal position as host versus acquired company; or from the psychological authority conveyed by possessing more money, size, or influence; or from social authority conveyed by imposing cultural norms • the extent to which in-group members reflect the descriptive norms (defining characteristics) and prescriptive norms (defining beliefs, values and behaviours) of the group • extent to which a group is positively evaluated in comparison to other relevant groups

A Closer Look at the Central Concepts

Variables of Interest

The purpose of this study is to examine the influence of subordinate, superordinate and principle-level identity in mediating social resistance in response to an M&A. While the construct of identity has numerous definitions and dimensions, this study will focus on three key indicators of identity; salience, strength and centrality or prototypicality, and on three variables that influence identity perceptions in a merger; continuity, status and dominance.

Salience

Social identity involves characteristics or behaviours that are shared with other members of an in-group, but not with members of an out group, and which distinguishes teams or groups in a way that is very important to the members of that group (Brewer, 1979; Tajfel & Turner, 1979; 1986; Hirt, Zillman, Erickson, & Kennedy, 1992). Salience refers to the significance or meaningfulness of these distinctive group qualities that motivate an individual to acknowledge one identity over another (Schwarz & Watson, 2005). Salience of the organization's identity is enhanced as the number of emulated-individuals increases; and this in turn amplifies member identification (Ashforth, 1998).

Salience is particularly relevant to the present study in that researchers have found that the more salient the social identity, the greater influence these perceptions can have in guiding behaviour (Haslam et al, 2000). Inasmuch as uncertainty has been found to increase group salience and attractiveness (Hogg & Terry, 2000), and insofar as resistance is an elected behaviour, salience may be a pertinent dimension of identity in motivating social resistance behaviours that target salience-preservation.

Strength

Individuals vary in how much they identify with the organizations they work for (Dutton et al, 1994). The stronger the team identity, the more each member will define themselves in terms of the group rather than as an individual (Brewer, 1979; Dutton et al, 1994), and research has found that positive esteem is derived from strong associations with a group (Tajfel & Turner, 1986; Dietz-Uhler & Murrell, 1998). Haslam et al (2000) have found that strong social identities can lead team members to perceive that their ideas, attitudes and beliefs are interchangeable. Strength of identity is relevant to this research study inasmuch as this reinforcing cycle generates a sense of unity that can give momentum to collective efforts (Fiol C. , 2002) and stabilize the endurance of the identity, which in turn may play a productive role in building resilience to the destructive repercussions of change, or a counterproductive role in building identity resistance. Identity strength may amplify or diminish its mediating effects on resistance responses.

Centrality/Prototypicality

Centrality, or prototypicality, refers to the extent to which in-group members reflect the descriptive norms (defining characteristics) and prescriptive norms (defining beliefs, values and behaviours) of the group (Jetten, Branscombe, & Spears, 2002). The degree to which a member is perceived as a good example, or prototype, of the group is a function of how much they 'simultaneously maximize perceived in-group similarities and intergroup differences' (Jetten et al, 2002, p. 106). Perceived centrality is relevant to this study insofar as it has been associated with identity security, which in turn has been found to be predictive of intergroup discrimination (Jetten, Spears, & Manstead, 1996; Jetten et al, 2002) and may be relevant to perceptions of identity threat, and to perceptions of post-merger continuity. This study focuses on resistance behaviours that are characterized by efforts to limit new members to peripheral roles, opposing their efforts to penetrate and assimilate into the established in-group. Identity insecurity and perceptions of discontinuity can be forces motivating this resistance.

Status and Dominance

For the purposes of this research study, a definition of status will borrow from the work of Terry & O'Brien (2001) and from Ellemers, Kortekaas, & Ouwerkerk (1999). Status refers to the extent to which a group is positively evaluated in comparison to other relevant groups (Terry & O'Brien, 2001). High status groups, and the desirable qualities they possess, serve as a reference point for members of their own in-group and for other out-group members as well. Status evaluations nurture the self-concept of in-group members, and thus individuals in high status groups display pride in their membership (Ellemer et al, 1999) and are motivated to maintain their membership in the group, and to work to preserve the group's status category (Terry & O'Brien, 2001). Conversely, members of low status groups endeavour to either elevate the status of their current group, or identify a more flattering comparison group (Lalonde, 1992). When these strategies fail, individuals may work to shift their membership to a relevant high status group (Terry & O'Brien, 2001).

The relevance of status to this study can be found in research of Terry et al (2001) and van Leeuwen et al (2003), who found in their studies of real world mergers, evidence that individuals from high status organizations were less likely than their low status counterparts to feel threatened by the merger. This may be due to the fact that high status groups usually elicit more identification (Ellemers, 1993), and thus enjoy the insulative qualities of more robust identification. Additionally, a laboratory study by Haunschild, Moreland, & Murrell (1994), found mergers to elicit strong intergroup biases, and that the bias, or tendency to evaluate the in-group more favorably than the out-groups, was strongest among the high status members. These findings were later replicated by Terry & Callan (1998) in their study of a real world organizational merger.

Dominance is an intangible variable that is largely rooted in the perception of the participant. In an M&A situation, dominance can be inferred from the legal position as host versus acquired company, or from the psychological authority conveyed by possessing more money, size, or influence (Rentsch & Schneider, 1991; van Knippenber et al, 2002). Dominance is defined for the purposes of this research study from an integrative or social point of view, whereby one partner in an M&A typically asserts dominance over the other as they impose their own organizational culture (Cartwright & Cooper, 2002), processes, and operations. This benefits the dominant group insofar as it supports perceptions of continuity between pre and post-merger identities (Cartwright & Cooper, 2002), but does so at the expense of the dominated group who may resist the discontinuity of their own identity (van Knippenberg et al, 2002). While the dominant partner often also enjoys higher status (van Knippenberg et al, 2002), this isn't always the case. Research by van Knippenberg et al (2002) found that dominance might actually moderate status effects in relation to post-merger identification, such that a high-status group that is dominated (e.g. VAN) from an acquisition perspective, responds more negatively to the transaction than a dominated low-status group (e.g. MNP).

Of particular relevance to this study is the 2002 finding by van Knippenberg et al, that "..the identity-threatening effects of mergers may be deflected for members of the dominated group if the dominated group is able to maintain its identity-defining features within the merged organization" (p. 248). These findings were supported by a series of studies by van Leeuwen et al (2002) which found that groups can compensate for lack of continuity in pre- and post-merger identity by maintaining the distinctiveness of their subordinate identity. These studies support a counterintuitive conclusion that rather than pursue integration of merged identity into the dominant group's superordinate identity, that subordinate identities need to be preserved and permitted to maintain a certain level of distinctiveness to provide for a sense of continuity. This provides adaptive benefits to both organizations, as research has found that where distinctive subordinate expression is condoned at the subordinate level, individuals will more readily adopt a common identity at the superordinate level (van Leeuwen, van Knippenberg, & Ellemers, 2002). The Discussion section (Chapter 6) will explore how these findings are challenged by the data from this thesis. The key challenge resided in the lack of clarity regarding status and dominance, such that groups were uncertain of which identity was the acceded superordinate, and which the defiant subordinate.

A Look at the Literature on the Context of this Thesis

Culture

The transactional details of an M&A are detailed, multi-layered, and complex, with tremendous focus on the operational and financial strategy or on technical and physical changes, and yet much of the success of a merger has largely been found to lie in the ability for the two organizations to integrate culturally (Booz, Allen and Hamilton, as cited in Cartwright & Cooper, 1996. P.28). And when cultural incompatibility has been encountered, parties are typically reluctant to retreat from the transaction because of the sunk costs already associated with negotiations(Cartwright & Cooper, 1993), or because of irrational optimism in the parties' abilities to influence the integration process.

Organizational culture is a relatively young construct that has enjoyed focus from several of the disciplines. In a series of papers (1983; 1988; 1990), Edgar Schein described corporate culture as a social construct that is learnt, perpetuated and replicated through the ongoing socialization of shared values, commonly held assumptions, and views of the world among an organization's members. Schein (1990) proposed a model for culture creation in which there are primary embedding mechanisms that shape and form the culture, and secondary articulation and reinforcement mechanisms that convey, communicate and preserve the culture through supporting organizational and physical structures and processes, espoused rules and codes, and heroes and legends.

Other researchers have described corporate culture as consisting of shared values, beliefs (Gordon & DiTomaso, 1992) and assumptions about rules of conduct (Schein E. , 1990), and approaches to work (Chen et al, 1997), as the 'shoulds' and 'oughts' of organizational life (Veiga, Lubatkin, Calori, & Very, 2000), and as the ethical climate that orchestrates principled behaviour (Wimbush & Shepard, 1994) and decision and problem solving processes (Schein, 1990). In essence, culture is derived from the ingrained social norms that are manifest in the habitual ways of behaving and interacting (Gottlieb & Sanzgiri, 1996). Culture can be derived from the types of work and behaviours that are focused on, rewarded and celebrated, (Schein, 1985; Thoms, 2008). But culture isn't simply a summative description or outcome of a collective of behaviours – organizational culture may be the driving force behind those behaviours. The notion that culture in turn influences individual behaviour and decision making has been much studied and argued by researchers such as Bennis (1989), Deal et al (1982), and Gorman (1987, 1989).

Organizational culture consists of shared values, beliefs (Gordon & DiTomaso, 1992) and approaches to work (Chen et al, 1997), and part of this culture is constructed of the ethical climate that orchestrates principled behaviour (Wimbush & Shepard, 1994) and decision and problem solving processes (Schein, 1990). In essence, culture is derived from the ingrained social norms that are manifest in the habitual ways of behaving and interacting (Gottlieb & Sanzgiri, 1996).

Early research into organizational culture focused on categorizing cultures into buckets, such as the Harrison Typology (Harrison, 1972), which led to research that examined the types of cultures that integrate well. This work endeavoured to understand if some cultures are more easily abandoned and amendable to change than others, and found that, while the pre-combination cultures did play a fundamental role in determining M&A outcomes, that compatibility doesn't necessarily require symmetry or sameness in the cultures (Cartwright & Cooper, 1993). This work led to cultural- fit models that focused on pre-merger culture compatibility (Cartwright & Cooper, 2005), or on pre and post-merger cultural differences (Stahl & Voight, 2005) and the subsequent integration outcomes. Cartwright & Cooper (1993) extended this research to consider variables of status and dominance and discovered that in mergers of equals, in order to integrate successfully, there must be similarity between the cultures, and a third culture must emerge. Where there is inequity among the two partners, assimilation occurs as acquired members, willingly or otherwise, forfeit their existing culture and adopt that of the dominant partner (Cartwright & Cooper, 1993). A compelling finding from this study suggested that the cultural dynamics of the 'organizational marriage' (Cartwright & Cooper, 1993, p.61), including the pre-marital cultures of the two merging firms and the terms of the merger were linked to variations in performance following the merger.

More recently, researchers have turned their attention to understanding how the relinquishing or integration of cultures informs social identity for members from either side of the merger. One common outcome of this research has been the observation of an absence of distinct boundaries between culture and identity. Where Dowling (1993) treated culture as a factor and put it on the same ontological level as identity and image, social constructionists tend to view culture as not a variable, but a context (Smircich, 1983; Hatch & Schultz, 1997).

Hatch & Schultz (1997) supported the notion that identity and culture are entangled variables, asserting that one must consider organizational culture when examining the development and maintenance of organizational identity because our identities reflect our self-definitions, which are informed by our activities and beliefs, which are in turn anchored in our cultural assumptions and values. "What we care about and do defines us to ourselves and thereby forges our identity in the image of our culture" (Hatch M. , 1997, p. 360). According to Hatch & Schultz (1997), our identity operates within culture, and thus who I am is informed by what I do, which is influenced by our beliefs of how others perceive us. The notion of the interconnectedness of culture and identity is supported by the research of van Knippenberg et al, 2002, which found that perceived cultural differences can affect pre-post merger identification.

The social constructivist perspective on culture views culture as a dynamic and emergent phenomenon arising from shared patterns of interpretation that are continuously changed by the people identifying with them (Stahl & Voight, 2005). Thus, culture is the context in which a collective of distinct organizational identities emerge, operate, change and are maintained (Hatch & Schultz, 1997; Stahl et al, 2005). In a study of identity integration following an M&A organizational culture becomes relevant, from the social construction view, for understanding how the merging of two cultures can trigger identity-preserving responses such as in-group out-group bias, and create tensions between preserving uniqueness and emphasizing distinctiveness (Stahl & Voight, 2005). Weber & Camerer (2003) described one of the benefits of culture as providing the efficiency of tacit over explicit coordination of activities among members, a function that also characterizes the adaptive benefits of a highly cohesive identity group. This provides a departure point for this thesis study, as it draws together the relevant variables of culture, the adaptive benefits of identity, and the potential for individuals to withhold those benefits from merging members as a form of adaptive (though counterproductive) resistance to the identity threat aroused by the M&A transaction.

Applying SIT to Mergers & Acquisitions

Research seems to suggest that the all-too-frequent social and operational costs of M&A failure have dwarfed the projected and realized benefits of organizational marriage (Cartwright & Cooper, 1993). The allure of theoretical synergies and mighty unions have not consistently born out in practice, with anecdotal and laboratory research both pointing to the bleak finding that merged groups perform worse on average than the two separate premerger groups did, immediately prior to the merger (Weber & Camerer, 2003). Several disciplines have looked to social identity theory to understand how psychological attachment to the pre-merger organizations may take some of the blame for pressing the pin in the synergy bubble (Cartwright & Cooper, 1993; Dutton, Dukerich, & Harquail, 1994). Several researchers have asserted that M&A's compel a concomitant change of identity (Haunschild, Moreland, & Murrell, 1994) with varying perceptions of identity continuity for the host and acquired groups (van Knippenberg et al, 2002). According to van Knippenberg et al(2002), it is this lack of continuity that can arouse the perception, even for members of the host organization, that so much has changed that it is no longer 'their company'. Continuity in the form of a new, shared, coherent and unambiguous culture, is ultimately the objective of the acculturation process, which involves the progression through contact, conflict and adaptation as two distinct organizational cultures come together (Cartwright & Cooper, 1993).

Cartwright & Cooper (1993) proposed a model of mergers that is oriented around the construct of continuity. They examined three types of mergers, including extension mergers, collaborative mergers, and redesign mergers. Extension mergers occur when the acquiring organization intends little or minimal change to the acquired group. With this catch-and-release strategy the acquiring business manages its catch in a hands-off manner, and little effort is intended to draw together the cultural differences (Cartwright & Cooper, 1993). As a result, social identities are largely preserved and unchallenged by the transaction.

When the success of the merger is dependent upon realizing the synergies of integrated operations, technology, and the expertise of the respective employees, then a collaborative merger occurs. Typically the highly valued and coveted assets of the acquired company helps to even-out any implied imbalance in status or dominance, and efforts are made to integrate the two cultures into an emergent culture (Cartwright & Cooper, 1993), where some identity continuity exists for both sides in the formation of a new hybrid.

A redesign merger, also referred to as a 'traditional marriage' of organizations, occurs when the dominant partner swallows the acquired group, imposing (and expecting adoption of) its own practices, procedures and culture (Cartwright & Cooper, 1993). The terms of the transaction may imply inclusion in the new collective, however decisions over identity involvement are performed at the individual level, and so this type of merger won't necessarily produce identity resistance, as long as there is room within the superordinate group for the expression of multiple subordinate identities (Hatch & Schultz, 1997).

This study by Cartwright & Cooper (1993) points to an interesting and potentially relevant trigger for identity resistance. Their findings showed that the default reaction of employees from the acquired company was typically to respond as though a 'traditional marriage' was being pursued, even when in fact a collaborative merger was intended. Where the merger strategy isn't explicit for all parties, where there is lack of consensus about the acculturation strategy (Cartwright & Cooper, 1993),or where there is confusion about 'who bought whom anyways', employees might naturally retreat to a defensive position to resist displacement.

Hogg & Terry (2000) have suggested that in times of crisis (and dramatic change), where uncertainty is generated, identity beliefs can become more salient. Indeed, when it is perceived that an organization's actions are betraying its collective identity, that identity can become more significant, as members consider, "what is this organization really about?" (Albert & Whetten, 1985; Dutton et al, 1994). A merger or acquisition may produce this type of perceived inconsistency as the organization's core culture is perceived to be ruptured by an incongruent and possibly counter-culture (Fiol C. , 2002). While subordinate group membership may satisfy most of an individual's identity needs (Dutton et al, 1994), this may not be enough to assuage the perceived attack to superordinate identity. Ironically, it would seem that lower levels of member identification are likely to lead to less resistance to change (Fiol C. , 1999; 2001; 2002).

Some research has been done in the area of identity renewal to understand the process that occurs when individuals encounter a salient identity that is usurped and replaced with a new identity, as can occur during an M&A. Identity renewal occurs through a process of unfreezing, moving and refreezing collective beliefs to produce the requirements for enduring organizational identification (Lewin, 1951; Ashforth, 1998; Pratt & Barnett, 1997). This theory is predicated on a core assumption that challenges one of the defining attributes of identity; its stability. Where Albert & Whetten (1985) defined identity as the enduring attributes of an organization, more recent research has challenged that apparent durability and suggested that identity may actually be more dynamic than previously supposed (Gioia et al, 2000). Indeed, researchers have found that individuals continuously revise, maintain and repair identity perceptions in order to refine, distil and enhance the distinctiveness of those identities; a process referred to as "identity work", (Alvesson & Willmott, 2002; Cutcher, 2009). But it is not just the ongoing maintenance that makes identity dynamic, it is its "plasticity" (Fox-Wolfgramm et al, 1998) that researchers say may provide an adaptive function (Fox-Wolfgramm et al, 1998; Gioia et al, 2000) allowing identities to stretch and adjust to change without violating the security of its stabilizing forces (Bouchikhi et al, 1996).

The theory of identity resistance (Fox-Wolfgramm et al, 1998) is anchored in the notion that members of an organization have a preference for cognitive consonance between current and desired identity and image. This means that members of an organization are naturally driven to maintain its identity, and this drive may be especially potent when faced with the threatening conditions of change (Gagliardi, 1986) that an M&A would present. Despite the need for identities to sometimes change to accommodate significant transformation, identities at the subordinate level and at the superordinate level are highly resistant to change (Bouchikhi & Kimberly, 1996; Gioia, 1998).

Another form of identity resistance occurs when members feel they are already doing what is being called for by social or institutional forces. That is, their current identity perceptions are already congruent with the envisioned identity (Fox-Wolfgramm et al, 1998). This type of resistance could occur during a merger or acquisition whereby members feel they are already meeting the requirements for the transaction (i.e. compliance with physical move, operational change), and thus rationalize their resistance to the advanced strategies proposed internally that push expectations for intangible change such as cultural or identity assimilation.

In studies looking at changes that threatened identity, Fox-Wolfgramm et al (1998) supported the notion that the lack of sustainability and success in change efforts may be linked to the failure of the companies studied to successfully change their identities in ways that were aligned with the change. For successful change to occur, either they need to identify less, or they need to shift their identities to accommodate the renovated organizational identity. These studies found the organization's identity to be a stronger force in sustaining change than operational success (Fox-Wolfgramm et al, 1998). This may have particular relevance for organizations entering into an M&A as it speaks to the importance of aligning the new superordinate (or principle) identity with the respective and relevant merging subordinate identities; or at the very least, ensuring they don’t present incompatible identities.

More support can be found for the theory of identity resistance from research into intentional identity change. Following from the notion that strong organization wide identification can obstruct the view of new possibilities (Fiol C. , 2002), and unproductively anchor members to the status quo, lowering members' receptivity to changes that threaten the current identity (Huy Q, 1999), it has been suggested that for strategic change, such as an M&A, to be most successful, it must be preceded by identity change (Barr, Stimert, & Huff, 1992; Gioia et al, 1996).

This concept of deliberate identity change was introduced by Lewin (1951), who proposed that strategic change begins by unfreezing current beliefs, or weakening members' identification with the old (existing) organizational identity; a process referred to as de-identification (Ashforth, 1998, p. 218). It is argued that this identity transformation (Marshak, 1993) is a vital precursor to a successful [M&A] insofar as it provides an impetus for change by fashioning dissatisfaction with the status quo (we are no longer just..)., espouses an appealing and tangible desired state and identity (we are now a bigger and better company that can…), and this dynamic process of identity renewal (Fiol C. , 2002) produces cognitive consonance in identity perceptions which can build commitment to and momentum for change. It is because individual and organizational identities support (and sometimes undermine) one another that their interactions are essential throughout the process of [a merger or acquisition] (Fiol C. , 2002).

Because it has been discovered that greater receptivity to change is found at lower levels of identification, the process of unfreezing identity is aimed at lowering levels of identification by making the current identity less desirable and valuable (Lewin, 1951), or demonstrating that it is no longer functional (Fiol C. , 2002). This can have several necessary but potentially costly outcomes. Given that identification is predicated on trust, identity change can violate that trust (Fiol C. , 2002) leading to disruptions in operations throughout the organization. This vital disequilibrium can result in the desired de-identification (Pratt & Barnett, 1997, p. 81) which creates the necessary (but temporary) conditions of uncertainty and ambiguity that leave members open to new possibilities for identity (Fiol C. , 2002). Trust is then regenerated, tension from the paradox lifted, and equilibrium restored through the final phase of re-identification (Fiol C. , 2002, p. 660), or refreezing (Lewin, 1951) whereby new beliefs are assimilated into the desired organizational identity, rendering identities again congruent (Czarniawska & Wolff, 1998). This thesis approaches identity threat from a different perspective, focusing instead on the identity resistance (Fox-Wolfgramm, Boal , & Hunt, 1998) that is aroused by attempts at unfreezing .

Knowledge Work(ers)

The subjects for this thesis research involve knowledge workers (Drucker, 1989), or those employees whose major contribution to the workplace is the knowledge and expertise they possess and the intellectual capacity and aptitude that enable them to apply that knowledge and expertise to idea generation, innovation and problem solving (Markova & Ford, 2011). In knowledge-intensive companies, the essential assets and distinctive core competencies are the knowledge workers themselves, and contrary to labour-intensive companies, the workers themselves own the essential assets (Markova & Ford, 2011). They are typically well-educated and uniquely qualified employees who do work of an intellectual nature (Alvesson M. , 2001; Starbuck W. , 1992), and for whom positive identity constructions are facilitated by the higher status, remuneration, and more interesting and varied work that is enjoyed by these roles (Alvesson M., 2001). Tyler & Blader (2001) have found that groups judged to be higher status are more likely to elicit identification, and that the group identity is even more salient among high status members within the group.

Multiple and sometimes competing identities are usually present in knowledge-intensive companies (Alvesson M. , 2000), though knowledge workers often identify more strongly with their professional group than they do with their organization, meaning that these multiple identities have varying levels of salience, and thus influence, over attitudes and behaviours (Terry & Callan, 1998). These strong, positive identity constructions provide the same adaptive benefits as they would for social identities of other employee groups, although the increased levels of autonomy, ambiguity, and uncertainty that knowledge workers operate within may heighten the reliance of these identity constructions to insulate the self-esteem (Alvesson M. , 2001), and in turn, heighten the sensitivity to threats to, or lack of validation of the prized identity (Alvesson M. , 2001). This, combined with the centrality of knowledge worker's contribution to the organization, speaks to the importance of identity considerations in any transactions that could pose a threat to a strong and cherished identity that is shared by this influential group.

The absence of a clear and unanimous definition of knowledge workers, or of volumes of peer-reviewed research on this unique cohort makes it a challenging group to anchor research with. The potential positives that can be gained from a better understanding of this dynamic group and of how they experience the M & A activities that so often grip their world motivated the choice to focus on this group. For the purposes of this research study knowledge workers are defined in the same terms described above by Alvesson M (2001) & Starbuck W (1992).

Resistance through Withholding Cohesion-Building

A Definition of Resistance

Workplaces are faced with perpetual change (Herscovitch & Meyer, 2002), and regrettably, research demonstrates that supportive cooperation tends to be the less prevalent response to organizational change, such as an M&A. More common, it seems, are occurrences of resistance, burnout, cynicism, decreased organizational commitment, morale, and performance, and increased turnover (Caldwell, Herold, & Fedor, 2004).

Management has traditionally focused on resistance responses to mergers and acquisitions that arise from competing views and conflicting interests (Trader-Leigh, 2002), perceptions of the anticipated negative personal and group outcomes or losses (Dent & Goldberg, 1999). Researchers in sociology and organizational behaviour have focused on power issues such as loss of power or status (Van Dijk & Van Dick, 2009), loss of money or security (Trader-Leigh, 2002), or loss of control (Klein, 1984). Other disciplines have emphasized the perception of (or concern with) redistribution of benefits or opportunities resulting in the marginalization or subjugation of certain groups by the proposed transaction (Trader-Leigh, 2002). This is likely true for any type of change, but may be more pronounced in a merger or acquisition where the change shakes up informal and formal social networks, which in turn can disturb coveted positions of power and influence (Goltz & Hietapelto, 2002). Where change unsettles these crucial power dynamics, resistance can be expected from those with the most to gain from preserving the status quo.

Though natural and expected, resistance to change can also be expensive and paralysing. The collapse of many merger efforts has been linked to employee resistance (Kotter, 1995; Maurer, 1997; Bovey & Hede, 2001), and thus, the practical relevance of mitigating resistance is evident in its relation to the success or failure of the merger (Van den Heuvel & Schalk, 2009).

Employee resistance to organizational change can be found in overt defiance but as often is found in more subtle and covert forms such as restriction of output and rule violation (Cutcher, 2009), or cynicism and dis-identification (Flemming & Spicer, 2003). According to Piderit (2000) resistance to change has cognitive and affective as well as behavioural components. Individuals don't simply choose to resist; rather resistance is born from a complex combination of possibly incongruent feelings, behaviours and thoughts about a change (Piderit, 2000). And it would seem that of these components, affect tends to carry more weight, with unanticipated affective outcomes undermining or even defeating change attempts. (Gilmore, Shea, & Useem, 1997). This thesis study explores a form of resistance that is rooted in social identity theory.

This study proposes a form of resistance that relates to the adaptive affective dimensions of identity relating to social cohesion. The definition draws from the various disciplines informing this research, and relates to the construct of 'withholding effort' – in this case, withholding social cohesion building behaviours. According to this proposed definition, the in-group members of the dominant organization or work group endeavour to keep transitioning members from the acquired organization or workgroup on the periphery, and resist attempts at social integration, in an effort to defend perceived dilution of identity.

Cohesion

Although the social-cohesion benefits of social identity are fundamental concepts in the study of organizational behaviour in an M&A context, their interrelationships have been notably underexplored in recent literature. Noteworthy contributions have been made by a few researchers whose work is outlined below, and whose research provided direction in conceptualizing and operationalizing the construct of cohesion.

Cohesion and cohesion-building behaviours have been variously studied in terms of cooperation and citizenship behaviours (Dutton et al, 1994), cooperation and behavioural engagement (Tyler & Blader, 2001), and willingness to engage in discretionary behaviours (Podsakoff, Ahearne, & MacKenzie, 1997). These areas of study reflect the collective benefits of cohesion in work groups, as the viability of the group is enhanced by cohesion building behaviours that support the effective function of the group (Tyler & Blader, 2001), and this in turn reinforces and sustains the group-level identity. In their 2001 study, Tyler & Blader analysed the antecedents of cooperative group behaviour, examining the tendency to stay within a group (versus relinquishing group membership) as an example of this group behaviour. Their study found that subordinate identification motivated behavioural engagement within the group.

Tyler & Blader (2001) distinguish between two types of basic group behaviour; mandatory, or those behaviours that are essential to fulfill key roles in the group, and discretionary, or those behaviours that utlimately benefit the group but which are not required to fulfill their roles within a group. These discretionary and voluntary contributions have been linked to high performance among groups, and ultimately to organizational success in much of the literature emerging from fields of organizational psychology (Podsakoff, Ahearne, & MacKenzie, 1997; Tyler T. , 1999; Tyler & Blader, 2001).

Hogg & Terry (2000) studied social identity in terms of the self-categorization process, and described cohesive groups as those characterized by a tight network of social attraction. This social attraction is established and reinforced through salience and prototypicality, where perceptions of the prototype coincide and where members mutually perceive strong centrality amongst all members, and where that membership is meaningful and important (Hogg & Terry, 2000). This in turn motivates members to behave in ways consistent with the prototype, and consistent with preserving the distinctiveness and success (Barreto & Ellemers, 2000) of the group in order to gain the ultimate ego benefits of group membership (Ashforth & Mael, 1989).

For the purposes of this study, a definition of 'cohesion building behaviours' will borrow from Tyler & Blader (2001), Dutton et al (1994) and Podsakoff et al (1997) in describing the cooperative and discretionary behaviours and attitudes that benefit the group collectively in terms of supporting the salience, success and status of the group, and which may arise purely as an expression of their connection with the group. This definition also helps to characterise the self-fulfilling benefits of cohesion building behaviours.

Withholding Social Cohesion Building Behaviours as a form of Resistance

The construct of effort withholding behaviours (Shapiro et al, 2002) has emerged from the convergence of similar constructs from several disciplines including Economics and Management (shirking), which have looked at the tendency for individuals to supply less effort in a group setting. Social Psychology refers to social loafing, in studies aimed at examining the loss of motivation, in a group setting, that is caused by reduced identifiability (Kidwell & Bennett, 1993). Organizational Behaviour introduced the concept of cognitive loafing to describe the phenomenon of withholding cognitive effort and contribution to a group (Weldon & Gargano, 1985). The common threads among these theories and disciplines are that withholding efforts are elected behaviours that occur in group settings and that relate to the motivation of individual contribution in a manner that serves the greater good of the group. Inasmuch as group cohesion has been linked to positive performance outcomes (Haslam et al, 2000), the intentional withholding of cohesion-building behaviours is being proposed as a form of resistant effort-withholding behaviour.

The proposed withholding cohesion-building effort is rooted in the work of Knoke (1993) who linked three theoretical perspectives on the forces motivating individuals to contribute to collective action. Of these theoretical perspectives, two are of particular relevance to SIT; the normative conformity perspective, which postulates that individuals derive motivation to participate in collective action from the socially instilled values, principles and norms of behaviour, compliance with which is rewarded with continued participation in the group; and the affective bonding perspective, in which motivation is derived from salient, internalized emotional attachments with other group members arising from the identification process. Where a merger introduces new members into workgroups, identity threat can be aroused from the perceived dilution of a refined group identity or disruption of coveted social bonds. Existing members may respond by neglecting key socialization customs with new members, or by resisting efforts by new members to establish affective bonds. The resulting workgroup would consist of the core (identified) and increasingly insular team and the peripheral members who are unable to fully penetrate the in-group, and who thus fail to profit from the cohesive benefits of a strongly identified collective.

Chapter 3: Methodology

During the planning stages for this doctoral thesis, I had hoped to be able to compare and contrast the experiences of knowledge workers from two different companies undergoing a merger or acquisition. I was fortunate enough to find a large organization that was not only interested in participating in the research study, but that by virtue of its size had two fascinating and diverse case studies of its own to offer. The two transactions occurred eight years apart, and involved a common acquirer; however they involved such different integration strategies and such different contexts in terms of the economic conditions, that they presented two fascinating samples for comparison and study. The following outlines the methodology and research philosophy that informed the approach to data collection and analysis, as well as the curiosities that inspired the research, and the existing theory that framed the early thinking around these curiosities.

Rationale for Using an Interdisciplinary Approach

There are two key justifications for using an interdisciplinary approach for this research study, starting first with the complexity of the research questions posed. Among the key benefits of an interdisciplinary approach are the insights and integration that can be achieved by approaching a complex problem through a variety of lenses (Repko, Newell, & Szostak, 2012). Much research has been done on the constructs and variables of interest – from the perspectives of independent disciplines. The intention of this research is to harness the collective insights of a few disciplines in order to tease out novel insights that emerge and gain clarity from the integrated focus of holistic study. This offers two important benefits; breadth and depth of understanding. There is value in understanding how the essential phenomena are examined uniquely and similarly by the different disciplines, and this breadth and depth of understanding can help to simplify a complex research question and narrow the focus on the converging insights of the relevant disciplines.

The Context and the Variables

The topic of organizational change encompasses a wide range of change initiatives from the transformational change that is witnessed in restructuring efforts, major operational change or shifts in the culture and values underlying an organization's day-to-day activities, to the comparatively banal change of adopting an essential technology or a physical relocation (Kotter J. , 1995; Fox-Wolfgramm, Boal, & Hunt, 1998). This research study examines organizational change in the context of a merger or acquisition that typically involves the combination of two distinct social groups into one new group, but where, from the lens of the social identity perspective, one identity classically dominates (van Knippenberg et al, 2002) at the superordinate (organization) level, and where additional subordinate (group-level) identities are able to co-exist. While mergers and acquisitions are not legally identical activities, insofar as a merger involves the fusion of assets from two or more companies into a newly launched company, while an acquisition involves the takeover and transitioning of assets from one company to another (Ullrich et al, 2005), both typically involve a power differential and a domination of one culture over another. This typically involves a concomitant shift in identity for the non-dominant group (Hogan & Overmyer-Day, 1994; Ullrich et al, 2005), and thus, for the purposes of this study, regardless of the legal distinctions, the contexts will be referred to collectively as mergers.

Typically, research in the vein of organizational identity has focused on two primary levels of identification; subordinate and superordinate. This study revealed a third level that reflects the broad structure of the contemporary organization, whereby workgroups of knowledge workers (subordinate) are nested within a business unit (superordinate) which is in turn nested within a parent company (principle) . For the purposes of this research study, the term 'principle identity' is introduced to describe the large, collective identity that is shared to a greater or lesser extent by members throughout the business units and levels of the broader organization. It answers 'who do you work for', but not necessarily 'who are you ' or 'what are the core characteristics that make you different from outsiders?'. In practice, this holographic (Albert & Whetten, 1985) organizational identity may be too abstract to invite a strong, primary psychological attachment with the organization (Alvesson M. , 2000). A broad but indistinct principle identity (Hogg & Terry, 2000) may arouse less-specific affiliation than lower identity levels in that it offers less opportunity for individual members to evaluate strength (Fiol C. , 2002), centrality and prototypicality (Jetten, Branscombe, & Spears, 2002), and salience (Brewer M. , 1979).

This is distinguished from superordinate identity (Big B Money) which is the post-merger collection of subordinate identities that leadership is attempting to fuse into a single, shared identity, and which enjoys distinction and status in relation to sibling business units. The subordinate identities operate at the workgroup level and are common in their membership (i.e. knowledge workers, professionals), but distinct in their origins (i.e. may continue to reflect pre-merger identity groups). Observations and research interviews have revealed that individuals primarily operate within their subordinate identities, occasionally within superordinate and rarely within principle identities, characterizing the host as an ideographic organization (Alvesson M. , 2000).

The more salient collective identity is typically found at the superordinate rather than the principle level (Hogg & Terry, 2000). This collective identity reflects the distinct values, beliefs and norms of work and behavioural conduct that are well-known by its membership and which distinguish the organization from other organizations (out-groups) or competitors (Ullrich et al, 2005). The strength, salience and centrality (Ullrich et al, 2005) of this organizational identity may vary among the group members, but all members will likely demonstrate some degree of awareness and expression of this identity, whether implicitly or explicitly.

The participants in this study belong to the larger organization, (and thus share the collective superordinate and principle identities), and tend to work in smaller teams or workgroups with other similar professionals. Participants represented the dominant (acquiring) company and the assimilating companies and were all present at the time of the respective transactions. An operating assumption of this research study is that this sub-group of participants is more or less characterized by a homogeneity of education level, work type, socio-economic background, and professional designation, all of which have informed a subordinate identity that reflects distinctive values, beliefs and norms of work and behavioral conduct that differentiate this work-group from other non-knowledge worker sub-groups and from different knowledge worker sub-groups within the same organization, and that distinguish them from the principle identity group (see Figure 3.1: Illustration of Identity Levels and Core Identity Anchors and Descriptors for the Focal Organizations). For example, through the respective mergers these individuals all came to be members of a global financial institution with common principle and superordinate identities which they shared to a greater and lesser extent, and also operated within the sub-group identity of their specific knowledge worker profession 'finance professional'.

Figure 3.1: Illustration of Identity Levels and Core Identity Anchors and Descriptors for the Focal Organizations

Identity Level	MNP	VAN	BigBMoney (MNP+VAN+Legacy Money)
Principle	None	None	Big B
Superordinate	MNP, Boutique firm	VAN, Boutique firm	Big B Money
Subordinate	Money managers, finance professionals	Money managers, finance professionals	Money managers, finance professionals

Research Design

Qualitative Case Study Methodology

The qualitative case study methodology is an approach to empirical inquiry with early roots in the social sciences (Yin, 2008), that has since been adopted by, and adapted to, the disciplines of health sciences (Anthony & Jack, 2009), psychology, political science, business and community planning (Yin, 2008). An approach to constructivist inquiry (Anthony & Jack, 2009), the philosophical underpinnings of this paradigm maintain that truth is relative and that it is dependent on one's perspective (Yin, 2008). This underscores the importance of authenticity in case study research, as the paradigm is built on the premise of a social construction of reality (Baxter & Jack, 2008), which thus emphasizes the importance of enabling participants to tell their stories. The role of the researcher is then to objectively navigate his/her way through the converged multiple versions and retellings of a phenomenon and compose a holistic picture of the phenomenon that represents the collective experience. Case study methodology is well-suited to this outcome in that its hallmark characteristics oblige the researcher to; 1) facilitate the exploration of a phenomenon within its context, and, 2) seek a variety of data sources (Baxter & Jack, 2008) to ensure that the issue is explored through a variety of lenses, '… which allows for multiple facets of the phenomenon to be revealed and understood' (Baxter & Jack, 2008, p. 544).

Despite, or perhaps because of the broad and diverse use of this methodology, there exists much confusion about the name, nature and use of case study methodology (Anthony & Jack, 2009), which scholars have endeavoured to untangle. Qualitative case study research is typically informed by one of two key approaches to case study methodology – one by Robert Stake (The art of case study research, 1995) and one by Robert Yin (2008). Both Yin and Stake are guided by the same constructivist paradigm (Baxter & Jack, 2008), and both seek to explore and reveal the essence of the phenomenon, but employ different methods and different methodological perspectives; where Yin defines case study in terms of the process of empirical inquiry, Stake focuses on the unit of study – the case – as the defining characteristic (Anthony & Jack, 2009). Thus, the definition of 'case' can include the approach to the study, the phenomenon itself, and the outcome of the study, or the reported events, analysis and conclusions, as well as a teaching technique.

Where researchers and scholars find concurrence is in the overarching objective of the methodology, which is the holistic pursuit of understanding and insight into complex (Anthony & Jack, 2009) and contemporary social phenomena within the meaningful context and characteristics of real life (Yin, 2008). This speaks to the active intention of the researcher to consider the phenomenon within the contextual conditions, in contrast with an experimental approach which typically undertakes to isolate a phenomenon from its context.

Yin and Stake also vary in their definitions of types of case studies. Where Yin (2008) categorizes case studies as explanatory (those seeking to explain a presumed causal link), exploratory (where the outcome of an intervention is not anticipated or where there may be multiple unpredicted outcomes), or descriptive (where researchers wish to describe the intervention or phenomenon within the context in which it occurred), Stake (1995) identifies case studies as intrinsic (where the intention is to understand a phenomenon and is fuelled by an intrinsic or personal interest, but not necessarily to build theory), instrumental (to provide insight or refine a theory), or collective (where insights are gained from cross-case comparison) (Baxter & Jack, 2008).

This research study looks at multiple-case studies (two) where the context is subtly different (i.e. two different M&A transactions involving the same acquiring company and two acquired companies) and conducts a cross-comparison analysis to determine if and how responses to the merger vary or converge. The circumstances of the two mergers differ in terms of the assimilation and integration strategies imposed on the respective target companies (see chapters 4 &5: M&A strategy).

This research study involves a mixed methodology such that it is explanatory (seeking to determine if there is a relationship between group level identity and resistance to a merger that is expressed through social behaviours) and exploratory (open to serendipitous findings that may point to other or additional relevant variables), and also moves into a positivist approach in drawing conclusions and recommendations from the data, to suggest different approaches for future M&A activities. This approach largely adheres to Yin's (2008) interpretation of case study research which endorses research that is guided by either a primary or a mixed purpose. In keeping with this, the operational definition of case study research coined by Anthony & Jack (2009) is employed. This definition describes case study research as "a research methodology grounded in an interpretive, constructivist paradigm, which guides an empirical inquiry of contemporary phenomena within inseparable real-life contexts" (Anthony & Jack, 2009, p. 1172).

According to Yin (2008), case study research design is appropriate when the researcher is not interested in manipulating the behaviour of those involved in the study; when the contextual conditions are believed to be relevant to the phenomenon under study; or when it is difficult to distinguish the boundaries between the phenomenon and context. The case study approach is also appropriate when there are several variables of interest being explored with multiple sources of data, and examined through the convergence or triangulation of that varied data (Yin, 2008; Baxter & Jack, 2008). Finally, according to Yin (2008), case study methodology is appropriate where the collection and analysis of data is supported and guided by prior development of propositions or is informed by existing theory.

Overall, the primary objectives of the case study research method is to describe, explore, understand and evaluate the phenomenon (Anthony & Jack, 2009), within a real life context (Yin, 2008). When choosing among the various research strategies, Yin (2008, p.5) summarizes the above considerations into three key conditions; a) the type of research question posed; b) the extent of control an investigator has over actual behavioural events; and, c) the degree of focus on contemporary as opposed to historical events. Case studies tend to explore how and why questions, which tend to lead to explanatory as opposed to predictive conclusions (Yin, 2008).

This research study is well-aligned with these three conditions insofar as it attempts to answer how and why questions regarding contemporary events (two mergers), the reactions to which I was not be able to manipulate, and the research focused on how participants responded and continue to respond, in an attempt to gain insights into common reactions among this cohort. The influence of subordinate, superordinate and principle identities are considered as variables that are both relevant to the context in which the players are situated, as well as potentially relevant as variables influencing behavioral reactions to the merger.

According to Baxter & Jack (2008), once case study methodology has been determined to be the appropriate approach, it is important to determine what the case – or the unit of analysis – is. The case is the phenomenon that occurs in a bounded context, and can be bounded by time and place (Creswell, 1998), by activity (Stake, 1995), or by definition and context (Baxter & Jack, 2008). Boundaries for this study will include activity (two organizations that are currently going through an M&A process), and place (professional financial services industry). The context, or the identity as a function of culture, is the variable of interest for this study, and I will be examining the extent to which the cultures are similar/different, the extent to which this is linked to subordinate, superordinate or principle-level identity, the perceptions of dominance of status or superordinate identities among group members from host and acquired company, and the extent to which this seems to mediate resistance responses. Additionally, resistance responses will be examined in terms of behaviours or attitudes that reflect resistance to social-cohesion building within and among subordinate groups.

In contrasting the five main approaches to qualitative research, Creswell (1998, p. 105) models five key questions that characterize the case study methodology, which have been modified here to fit the proposed research study. 1) What happened? (i.e. what is the phenomenon of interest?); 2) Who was involved in the response to the phenomenon?; 3) What themes of responses emerged during the (specific) time period following this incident?; 4) what theoretical constructs can help me to better understand the responses (this is the focal question of the proposed research); and, 5) what constructs are unique to this case? These five questions (see Table 3.2: Five Key Questions Characterizing Case Study Methodology) inform the basic format of the case study methodology; including the reporting, and are summarized below for the proposed research.

Table 3.2 : Five Key Questions Characterizing Case Study Methodology

Key Questions	Summary for the Proposed Research Study
What happened? (what is the phenomenon of interest?)	• The behavioral responses of knowledge workers to an M&A transaction – especially behavioral responses that reflect resistance as manifested through social resistance behaviours
Who was involved in the response to the phenomenon?	• The study looked at professionals working in subgroups of other similar professionals, within the context of a larger business unit, nested within a larger parent organization.
What themes or responses emerged during the incident?	• Some evidence of social resistance among knowledge workers (as manifest by reluctance to merge social groups of 'like' professionals into a larger in-group • Embellished reporting, by participants, of distinctiveness of identity groups • Over-inclusion within the principle and superordinate identity groups • Status and dominance confusion • Expressions of identity limbo – not sure where to anchor the identity
What theoretical constructs can help me to better understand the responses?	• Theoretical constructs from the disciplines of social anthropology, organizational behaviour, and social psychology will be explored as starting points for the research. Central constructs of interest include superordinate identity, subordinate identity, social cohesion, identity resistance, social identity theory, continuity, dominance and status.
What constructs are unique to this case?	• Withholding cohesion-building behaviours as a form of resistance. • Continuity of group-level identity mediating identity threat. • Continuity of group-level identity despite shifting superordinate identity. • Presence and possible influence of a 'principle' identity.

Potential Limitations and Challenges with Qualitative Case Study Research Methodology

Critics of qualitative case study methodology principally point to two key limitations relating to the representativeness of a single case and to the limited generalizability due to small sample size (Anthony & Jack, 2009). Proponents for the methodology argue that representativeness can be amplified through a multi-case approach, with even a second case magnifying the effect of study results. Generalizability, according to Yin (2008, p. 10) is made to theory (analytic generalization) and not to populations based on statistical analysis. Thus, it is not the goal to generalize to populations, but rather to a theory of the phenomenon being studied. While the theory itself may have much wider applicability than the case being studied, the intention is to demonstrate that it transfers to the particular phenomenon and context being investigated.

A second potential challenge with qualitative case study research methodology is the possibility of scope creep and lack of focused research due to the volume and range of accumulated data arising from the multiple sources of evidence and the validation of numerous subjective points of view. Yin (2008) advocates for the rigorous use of, and continuous reference to a case protocol which is largely informed by the contextual framework (see next section) which illustrates the bounded system of the case (Creswell, 1998). In the interests of further limiting the scope of qualitative research, Baxter & Jack (2008) and Yin (2008) advocate for the use of propositions. These propositions serve to guide the research process by supporting the development of a conceptual framework. Specific propositions can be equated with hypotheses used in experimental studies, and they help to direct the investigation and contain research within feasible and relevant limits. The propositions that guide this study have been informed by literature and existing theory, as well as by personal and professional experiences of the researcher.

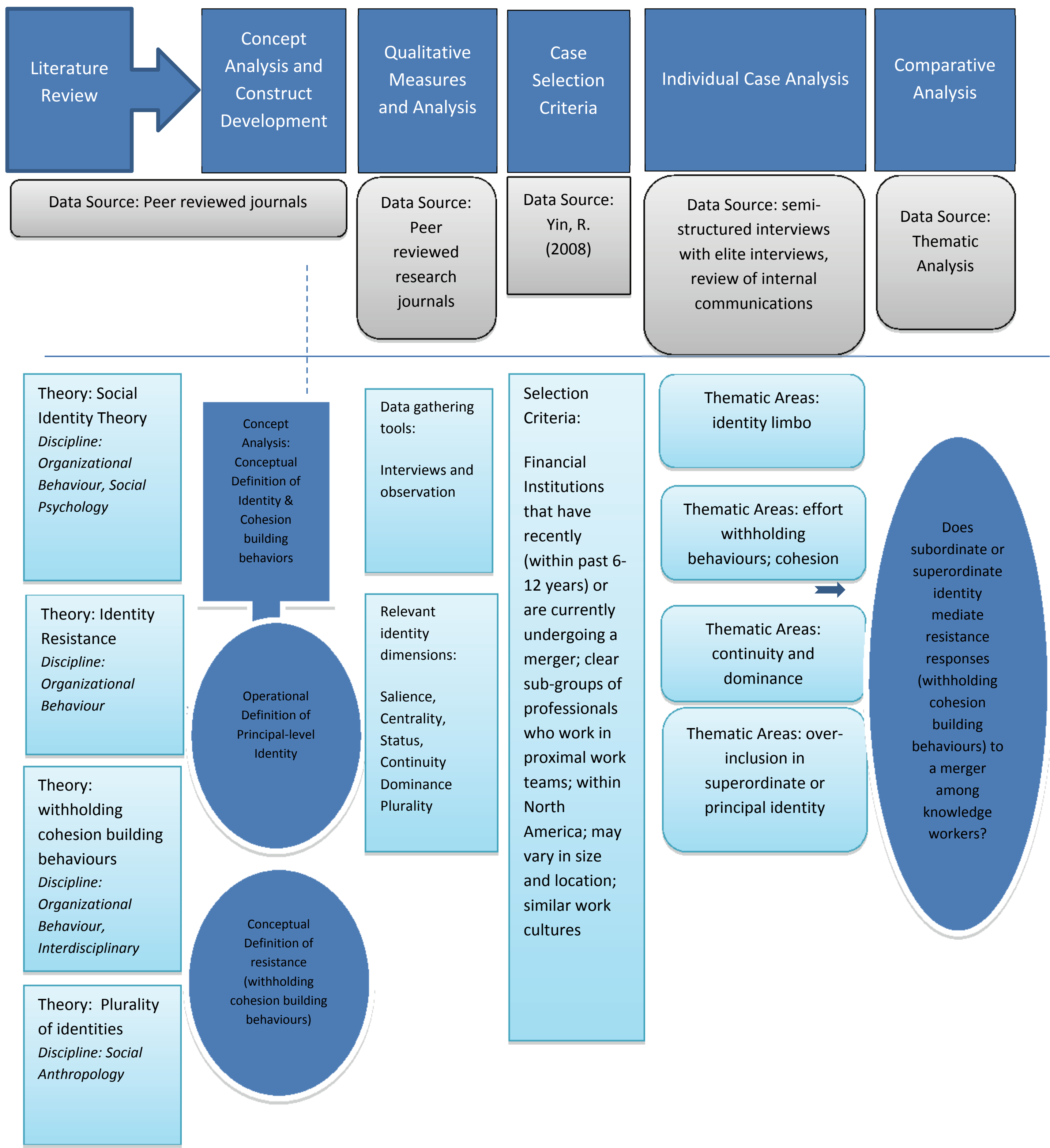
A third potential challenge with this methodology arises from the data collection practice of pursuing multiple sources of evidence. The study's reliability could be compromised by inconsistent data collection practises arising from investigators (myself included) who possess varying degrees of familiarity with each of the data collection techniques (Yin, 2008). For the proposed study, I was the sole researcher, which mitigated challenges with consistency of data collection within this study, however there could be data collection inconsistencies in the future should other researchers choose to repeat my work. Support and advice were sought from my advisor and committee to mitigate this potential challenge.

A fourth potential shortcoming with this methodology is that multiple case designs, when done thoroughly, are typically time consuming (Yin, 2008). Krefting (1991) advises that researchers endeavour to find opportunities for extended exposure to the phenomenon in order to build rapport with participants, build familiarity with context, and to support their efforts to represent multiple perspectives. Where a phenomenon such as resistance responses to a merger may take several years to play out in an organization, the researcher must weigh the benefits with the practicality of studying the phenomenon throughout its duration. This will speak to the importance of applying thoughtful and deliberate time boundaries to the case, (i.e. initial responses to a merger, responses 3 years into the merger process). For this thesis study, research for each of the case studies was conducted concurrently, and the research leveraged multiple data sources to compensate for the lack of ongoing and extended exposure to the phenomenon.

Conceptual Framework

Experts (Stake, 1995; Yin, 2008) in qualitative research methodology advocate for the use of a conceptual framework to guide the research (see Figure 3.3: Conceptual framework of research design). The conceptual framework helps to identify the boundaries of the research (i.e. who and what will/will not be included); describes relationships between existing theories or literature; and helps the researcher to bucket general constructs (Baxter and Jack, 2008). The framework can anchor the research and provide a visual reference for the boundaries and scope, though it should not indicate relationships between variables and constructs, as these relationships are the focus of the study and should emerge throughout the study. The following conceptual framework outlines the qualitative research methodology, and a more evolved final framework will follow the study to capture the themes that emerged through the data analysis. Baxter & Jack (2008) warn of a potential shortcoming of a conceptual framework in limiting the inductive approach during the exploration of a phenomenon, and thus the framework below is intentionally fitted with open-boxes to allow for serendipitous inductive findings.

Figure 3.3: Conceptual framework of research design



Ensuring Integrity of the Research Process and Data

The quality of case study research is largely rooted in the authenticity of the study findings (Yin, 2008), which is produced through rigid adherence to good methodology. This fosters an authentic account of the phenomenon, and thus, more credible findings (Anthony & Jack, 2009). Frameworks for assessing the rigor or trustworthiness of qualitative data tend to focus on establishing credibility, transferability, dependability and confirmability (Baxter & Jack, 2008). According to Baxter & Jack (2008), there are five critical steps involved in ensuring and boosting the trustworthiness of qualitative research which include;

a) writing a clear and substantiated research question and propositions;
b) ensuring that the case study design is well-aligned with the research question;
c) employing appropriate purposeful sampling strategies;
d) systematic data collection and management; and,
e) appropriate and correct data analysis activities.

Yin (2008) maintains that case study research should be held accountable to the same standards of quality as other empirical research, including construct validity, internal validity, external validity and reliability. This research study has endeavoured to ensure rigour of these four tests as follows;

a) Construct validity, or ensuring a consistent understanding of the construct of interest, established operational measures by using multiple sources of evidence and by 'member checking' to ensure consistency. This was done at the data collection and data analysis phases.
b) Internal validity is a relevant test for explanatory and causal studies (Yin, 2008). As this research is exploratory in nature, internal validity will not be addressed.
c) External validity refers to generalizability of the findings of a study. Given that case studies typically cover one or a few individual cases, this limits generalizability to broader populations, however, according to Yin (2008), the intention is not to generalize to a larger universe (statistical generalization), but rather to a broader theory; or analytical generalization. Thus, the external validity of this proposed research study will be determined by replication logic, or the extent to which the resulting theory and findings can be replicated in a similar case scenario. Given that this study will involve multiple (two) cases, there may be an opportunity to achieve replication logic within the framework of this study. Theories about identity resistance among finance professionals working in sub-groups, and going through a merger would be the domain to which the results could be generalized, or tested with future studies.

d) Reliability relates to the soundness of the operations of the study, such as the data collection or the coding and analysis, whereby consistent findings would emerge should an independent researcher repeat the same research study in the same manner. Reliability was supported in this thesis study by use of a case study protocol and a case study database (Yin, 2008).

According to Yin (2008) using a multiple-case design offers analytical benefits over single-case designs insofar as there is the possibility of direct replication. Additionally, despite efforts to select cases that are as homogeneous as possible, the two contexts will possess certain inherent differences. What is sampling bias in an experimental design actually presents a potential benefit to strengthen effect in a qualitative case study design, inasmuch as common conclusions arising from the two slightly varied cases can support expanded generalizability of findings (Yin, 2008). This research study opted to explore two cases that were similar, by nature of the involving the same 'host' or acquiring company, within the same industry and business unit.

Improvement of data credibility or 'truth value' (Baxter & Jack, 2008) was achieved at the data collection stage through triangulation of data sources or data types, which in turn is well-aligned with a core principle of case study methodology which espouses representing multiple perspectives. This trademark feature of the case study research methodology (Yin, 2008) is outlined in more detail in the following section (see section on Data Collection). At the data analysis stage, the consistency or 'dependability' of data can be enhanced through multiple coding involving either different researchers who come to consensus on the emerging codes or categories, or by coding by a single researcher over two periods of time (Baxter & Jack, 2008; Krefting, 1991). Both of these strategies were employed, with codes validated by a second researcher (my thesis advisor) and also validated by recoding 3 transcripts in full at a second period in time.

Data Collection

According to Yin (2008), the merit of case study research is in the use of multiple data sources, a strategy which also enhances data credibility. Yin (2008, p.85) champions three key principles of data collection; using multiple data sources, creating a case study database; and, maintaining a chain of evidence. Data sources can include company documentation (i.e. agendas, memos, emails, written reports), archival records, interviews, direct observations, participant observation, physical artefacts, videotapes, life histories and films and photos (Creswell, 1998; Yin, 2008). In the interests of respecting participant confidentiality, the proposed research did not make use of any of the private documentation listed above, but instead focused on interviews, direct observations, and organizational communications (excluding private emails).

Principle 1: Multiple Data Sources

The use of several different sources of evidence is regarded as a major strength of case study data collection (Yin, 2008) inasmuch as the practice results in a converging of lines of inquiry, otherwise known as data triangulation. The variety of data collection strategies gives the researcher an opportunity to record individual behaviour within its natural context, as well as verbal responses or retellings of the individual's point of view or perspective. This also adds to robustness of the data collection insofar as a finding or conclusion that is based on several different sources of data is more likely to be accurate and convincing (Yin, 2008). "This convergence adds strength to the findings as the various strands of data are braided together to promote a greater understanding of the case" (Baxter & Jack, 2008, p. 554).

Multiple data sources can include documentation, archival records, interviews, physical artifacts, direct observation, and participant-observation, as well as quantitative survey data (Creswell, 1998). These individual data sources are not considered in isolation, but rather are converged and integrated to provide a complex and holistic picture of the phenomenon of interest (Baxter & Jack, 2008). Baxter & Jack (2008), caution that a considerable pitfall of this strategy lies in the potentially overwhelming volume and variety of data. A remedy to this can be found in the use of a data base to manage the data, although this strategy can be criticized for distancing the researcher from the data and detracting from authenticity (Baxter & Jack, 2008).

The direct observation was conducted prior to, during, and following the participant interviews. While visiting the different locations and offices the interviewer made notes of the feel (e.g. formality/informality) of the different offices, of obvious branding (or lack thereof), of how they were greeted (and by whom) upon entering each office, of the use of space, and of how employees interacted with one-another or with their clients in that space. The interviewer kept written notes or digital recordings of verbal descriptions of these observations. These observations supported the case descriptions, and also provided data for analysing the context in which the other data were in turn considered. An observational protocol was not used, however the data were summarized and collated into a database. An appendix of these observations and the data collected is not provided as the content would too easily reveal the identities of the focal companies, and sometimes of the individual participants themselves. The following sample does illustrate the type of observations that were made;

> 'Was greated immediately by a smiling receptionist who took my coat and rang (name) immediately to say I was here. Was offered coffee/tea while waiting. Reception lobby is very warm and rich looking. No Big B branding or colours. VAN sign is prominently placed on wall across from elevators. More VAN branding in lobby, on reception desk, and on business card of participant. Employees frequently walk through and speak loudly and casually to each other (might be speaking to clients? – hard to tell as everyone is in a suit). Feels calm, friendly and professional. Lobby has lots of business and finance magazines for clients to read while waiting. Participant came to get me at exactly the appointed hour – no waiting'.
> (Interviewer's observation notes)

The elite interview aims to elicit subjective perceptions (like all interviews), but focuses on specialized knowledge that the interviewee possesses (Kezzar, 2003), and thus, the interviews tend to be more open-ended with the interview protocol providing only loose structure. While this limits generalizability, it does provide deeper insights into the dynamics of personal and power relationships that may impact a larger group (Phillips, 1998). It is assumed that elites, because they have access to exclusive information, have unique and broader perspectives, and the variability in the data is appreciated insofar as it is believed to provide a more robust picture of multiple realities, or the various factors that influence the construct being studied (Odendahl & Shaw, 2002; Whyte, 2003). Because of this assumption no responses captured during elite interviews were deemed out-of-scope. Indeed, unique responses were pursued and interviewees were encouraged to elaborate in the moment and/or during subsequent interviews.

Elite interviews typically make use of open-ended questions, as this approach is most appropriate for exploratory type research where the intention is to gather a broad and divergent set of data. Open-ended questions have also been found to maximize response validity as interviewees are able to construct their responses framed within their own perspective or context (Aberbach & Rockman, 2002). This is in keeping with the principles of qualitative case study methodology. Furthermore, open-ended questions have also been found to be more effective with elites who may resent being limited by closed-questions, and who appreciate having their knowledge, experience and status acknowledged by the free-reign tendered in the interview approach (Aberbach et al, 2002). Having the freedom to express perceptions and views more freely benefits the data gatherer as it does the interviewee, resulting in increased reliability and more cooperative participants (Aberbach et al, 2002).

One point of caution for researchers is to ensure alignment between the level and unit of analysis in data collection (Yin, 2008). This principle refers to ensuring that if analysis is at the level of the organization, then data collection should be at the same level. For this study the data collection sources for interviews were the individuals in the organizations, and this is consistent with the unit of analysis which is also at the individual level (i.e. how did individuals respond to the merger), however; in exploring the research questions relating to superordinate and principle level identities, the unit of analysis was the organization/group. According to Yin (2008) this does not present a problem so long as data collection does draw from multiple sources that represent both the individual and the organization/group which this study did, with participants representing all three organizations, and with participants expressing identity constructions that were anchored in the subordinate, superordinate and principle levels.

Principle 2: Creating a case study database

To mitigate the potential of becoming overwhelmed by the volume and variety of data captured, to facilitate the detection of patterns and themes, and to ensure consistent storing and coding, all data were stored in a database which was developed at the outset of the data collection phase. This data base was stored in the principle researcher's laptop, under password protection, and all data were assigned codes to ensure the anonymity of the sources. The database included audio files of the interviews, transcriptions of the interviews, and coded versions of those same interviews using Atlas-ti software.

Principle 3: Maintaining a chain of evidence

This third principle also helps to bolster a study's reliability as well as construct validity (Yin, 2008). A chain of evidence in qualitative case study research is akin to the chain of evidence in a legal case; there needs to be a clear link between the initial research questions, the evidence, and the conclusions. To do this, Yin (2008, p.105) advises the following; a) the report itself should make sufficient reference to relevant portions of the database (i.e. to specific data); b) the database should contain the actual data with details regarding how the data were collection; c) this detail should be consistent with the protocol governing the study's procedures; and, d) the protocol should be robust and detailed to elucidate the clear alignment between the protocol's content and the initial research questions.

Case Study Protocol

The case study protocol is essential for ensuring trustworthy data collection insofar as it focuses the attention of the researcher on the subject of interest by reminding them of the research questions that are informing the data collection. Additionally, the protocol outlines procedures and rules for using the protocol (to support reliability), and outlines a guide for the case study report (Yin, 2008,p.69). This differs from a typical interview protocol as the questions are directed to the researcher (level 2 questions), not to the interviewee (level 1). The field procedures and interview protocols outline the questions that were asked in the field of interviewees (Yin, 2008), and promote consistency in data collection procedures.

Ethics Approval

Ethics approval was granted through the Research Ethics Board of Dalhousie University on Monday, April 2nd, 2012 (reference number **2012-2635).** Ethical considerations for this Doctoral thesis study, relating to recruitment of companies/individuals, data collection and reporting are outlined below.

1. Recruitment of individuals was conducted by way of an introductory email, with those email addresses being provided by a 'gatekeeper' from the focal organization for this study. The initial email was accompanied by a consent form, which invited them to participate voluntarily with the assurance that their participation would be anonymous. They were also assured that their managers/superiors would not know if they did/did not participate in the study. (See Appendix A: Letter of Introduction (Elites) & Appendix B: Letter of Introduction (Knowledge Workers).

2. A data base was used to store and organize data collection. These data were assigned a code (to replace names of individuals and their organization) which only I was privy to, to ensure anonymity of the participants. Additionally, digital recordings of interviews were stored only on my laptop and external hard-drive, both of which are dedicated to my personal studies and are under password protection. Throughout the course of this research study, my laptop was never connected to a public network, and I even refrained from downloading/uploading any content from the Internet in an effort to further protect my database from viruses or unwanted access. I made use of a transcription services company that had been used previously by members of the University, and whose operating codes stipulated that they preserve the anonymity of data sources, would not distribute or save copies of the data, and would destroy (delete) all digital copies in their possession following completion of the transcription.

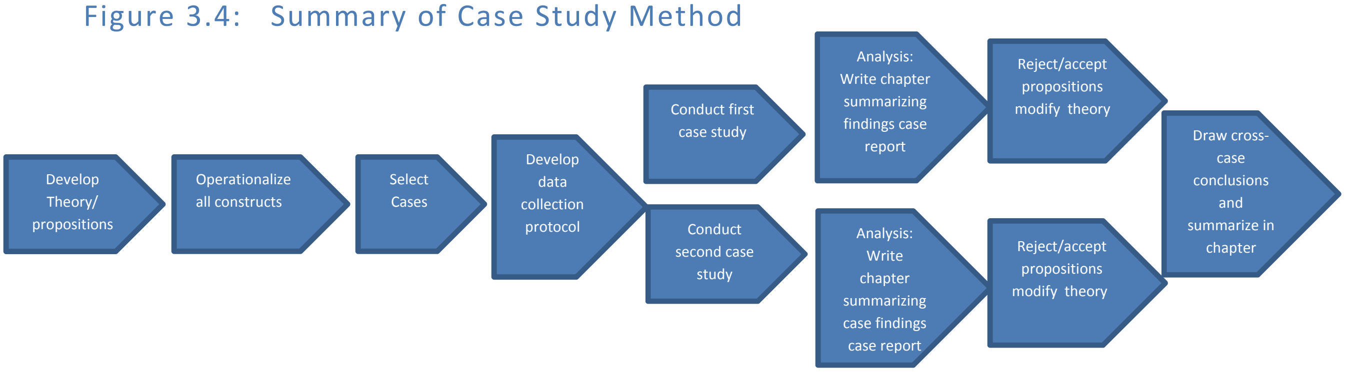
3. For reporting, full disclosure of identities (of participants and case organizations) is ideal for assisting readers in understanding context and other potentially relevant details that support interpretation, and to support more straightforward reviews of the details and citations of the case (Yin, 2008). However, full anonymity was to be provided, as per guidelines required for obtaining ethics approval, and to preserve the privacy of the participating companies and respondents. Data from the two case studies were aggregated and reported in a summative cross-case manner, except for where the results from the two cases were found to be significantly different or contradictory. Where this occurred, the results were reported separately, but still without revealing the identities of the companies or the individuals involved. In the interests of

supporting reliability, relevant context details were provided, but were limited to those details that wouldn't divulge or hint at identities. Pseudonyms were used for all of the organizations involved in the study, and details on the industry, location and specific business operations were modified to preserve anonymity.

Research Method

The Case Study method involves a systematic approach that outlines the selection of a theory or theories that form the departure points for the research, followed by the operationalization of the constructs of interest (see Figure 3.4: Summary of Case Study Method). Ideally, at this point cases are selected that present rich research grounds for exploring those constructs. Following the case selection, the researcher develops a robust data collection protocol along with interview protocols to guide the collection of data. For the two cases studies involved in this research, the data were gathered concurrently and analysis was conducted during, throughout, and following the data collection process. At this point the cases are written for each study and the theory and propositions considered for each case independently, followed by a cross-case comparison.

Figure 3.4: Summary of Case Study Method



Participant Selection

The principle researcher worked with a 'Gatekeeper' to secure the support, endorsement, and permission of senior management to conduct the research and to have access to email addresses of potential participants. Friday, February 10th, 2012, a Letter of Permission was sent to the acquiring (focal) company which outlined the research study itself, and how I planned to involve participants (including expected time commitment from each participant). This letter requested a signature granting permission to conduct the study from the individual who would be the sponsor of the project, and who would be my contact throughout the study. (see Appendix C: Letter of Permission)

For the regular interviews and elite interviews, I then worked with a gatekeeper to identify a pool of potential interview candidates. These pools were established by considering who among the ~150 employees met the criteria for 'knowledge worker', who had been present during the respective transactions and during the formation of GAM, and who specifically held a senior position that would identify them for an elite interview. These individuals received email invitations (sent from the Gatekeeper on my behalf, and with my contact details included) to participate on a voluntary and anonymous basis (See Appendices A & B: Letter of Introduction: Elite Interviews; Letter of Introduction: Knowledge Worker Interviews). In these emails it was communicated that no personal information would be released, that their participation would not impact any element of their work, and that their senior managers approved of the research study and supported my recruitment efforts. These emails invited potential participants to contact me directly if they wished to participate in the study. Once they contacted me, a Letter of Informed Consent (see Appendix 15) was sent to them, along with a calendar booking. All participants in two of the geographic locations were given the option of an in-person interview or a telephone/teleconference/Skype interview, and all participants were invited to choose the location of the interview (i.e. meeting at/phoning from their office, another location). All interviews were conducted at the participants' offices, by their choice.

Due to the small sample population (~150) and the small interview group, we decided that we would not capture too much demographic data, in the interests of protecting participant anonymity. Because of the nature of the roles within the organization, and because the Gatekeeper helped to identify the pool of potential participants, I was able to draw some assumptions about the demographic homogeneity of the sample group, that describes this group as University educated, with many possessing additional academic and professional designations, affording them fairly robust career mobility. Sampling constraints of the study did not allow other demographic variables, including gender, to be considered in my analysis, so they have been omitted. The relevance of these other demographic variables should be considered for future research.

Data Collection

This research study used a combination of data collection strategies, including; a) direct observation to witness relevant behaviours and contextual conditions; b) formal interviews with participants from both the host and the acquired companies; and, c) elite interviews with senior managers/executives whose position and experience give them a unique vantage point to observe and reflect on reactions to the merger.

The direct observation was informal in nature and did not involve the use of an observation protocol. These observations occurred during visits to the offices of the acquiring organization and one of the acquired companies between April, 2012 to July 2012, and provided opportunities to experience the branding, culture and activity of the respective groups and to observe participants within their regular context. These observations were embedded into the written cases to help describe the contexts as experienced by the principal researcher.

The interviews were more deliberate and formal and thus employed protocols to support the efficiency and reliability of the data collection activities (see Appendices D, E,&F).

Interviews

Of the 17 interviews, 14 were conducted between April-July 2012, and two were conducted in October 2012, and one more in February, 2013. The last three interviews were follow-up interviews with previous participants. At the beginning of all interviews, participants were provided a copy of the Informed Consent form (or were referred to the copy that had been previously emailed to them) and verbal consent or written consent was secured from all participants at this time. Participants were again reminded that the interview was being recorded and would be transcribed by a third party, and verbal consent was again given by all participants.

Of the 17 interviews, 6 were conducted in person, one was conducted via video-conference, two were conducted via Skype, and the remaining 8 were conducted via telephone. A digital recorder was used to capture all interviews (both sides of the conversation), and copies of these digital recordings have been stored in the principal researcher's secure study database. (Note: the final two follow-on interviews were recorded but not transcribed) The information was used in the writing of the cases, providing relevant details that helped to fill out the 'story' of the events. The information was also used in refining the emerging themes.

Interview participants were recruited from all three focal organizations, including 8 from the acquiring company, 4 from MNP, and 5 from VAN. While participation was invited from all levels of the organizations, the majority of interviews were Elite, with senior individuals actively volunteering to share their perspectives on the merger experiences. All interview participants were present with their organizations during their respective M&A. Only one interview from each location was not elite, but all were participants who met the criteria for 'knowledge worker' and who worked in roles that provided them with a relevant point of view on the M&A.

Elite interviews, sometimes casually referred to as interviewing up, involve individuals in positions of power (Kezzar, 2003). The practice of elite interviewing came from journalism but as an academic tool vary considerably from other interview methods, most notably in the licence that is given the interviewee to shape the direction of the interview and frame the collection and definition of relevant data (Odendahl & Shaw, 2002).

These interviews lasted between 60-90 minutes, and only the last two follow-up interviews were shorter (i.e. 25-30 minutes). The interview protocol (see Appendix E) was used to initiate the conversation or to prompt a participant if the conversation stalled, and was used as a reminder of the key questions that needed to be addressed, but often the participant covered a topic area without requiring the interviewer to pose a specific question. The principal researcher captured notes on each interview, and reviewed these notes following each interview, making note of emerging themes, new areas to explore, or concepts to explore deeper in subsequent interviews. These notes also captured relevant context details and were referred to alongside the interview transcriptions during coding and data analysis. The three non-elite interviews followed the interview protocol more closely, as did the two subsequent interviews, which followed the second protocol (see Appendix F). One interview transcript was sent to the interviewee for member checking, and a positive response was received confirming that the transcription accurately captured the interview questions and comments.

Reporting the Case

There are no set templates that prescribe the reporting of the case study. Creswell (1998, p.105) provides a basic format that consists of; a) a description of the case; b) analysis of the case materials; and, c) lessons learnt from the case, with reference to the literature. Yin (2003) reminds us that audience awareness is key to the composition, and Creswell (1998) offers the pragmatic, if not obvious advice that the writer endeavour to compose a case that is readable and engaging.

The results chapter (see Chapter 5) presents the findings of each case separately and then presents commonalities or differences between the cases (cross-case comparison). A Discussion chapter (Chapter 6) will explore the key themes that emerge in greater detail and will relate those themes to extant literature. A final chapter (Chapter 7) will summarize lessons learnt and the implications of those lessons for future M&A consideration will outline unanswered or emergent questions and themes for future research, will confess to the limitations of this study, and will summarize the contribution to existing literature.

Chapter 4: Within-Case Descriptions

The following cases are a narrative amalgamation of facts, details, descriptions, and experiences that were derived from the participant interviews. In pulling together the various perspectives and experiences of the participants, these cases are intended to provide a rich and holistic illustration of the events. Any details that could reveal the source of the information have been intentionally altered or omitted. However, any details that are relevant to an authentic presentation of the context or of the variables of interest have been maintained.

…

Case 1: Macro-Economic Context

The money market funds industry in the United States is heavily regulated by the Security and Exchange Commission (SEC). This industry specializes in short term deposits and provides a place for individuals or big firms to park cash for three to six months in a fund that is relatively safe and secure (Interview Transcripts). These funds typically provide higher yields than bank interest rates, at least in Japan and the US, and in the 1990s, when bank interest rates were low, money market funds became an appealing option for short-term deposits (Interview transcripts).

Retail money funds are primarily offered to Individuals, while Institutional money funds typically cater to corporations. These short-term, high minimum investments usually have maturities of one to six month, but investors can redeem their funds at any time (Interview transcripts). Fear in the market place can generate a run on redemptions which depresses their price (Interview transcripts). Confidence in these funds fell dramatically in the early 2000s when several funds lost their stable value due to fear and fall-out from the bankruptcy of Enron, the dissolution of Arthur Andersen, and the soon-to-follow collapse of WorldCom (Fusaro & Miller, 2002).

Money market funds that were associated with banks in the US had never been popular with clients due to the perception that the banks were risk averse, bureaucratic, and unsecure (Interview transcripts). The introduction of the Sarbanes-Oxley Act in response to the Corporate scandals in the US intensified these perceptions among clients, motivating discretion in bank acquisitions of money management firms (Interview transcripts).

MNP

Christmas came early one year for MNP in the form of two generous acquisition offers from competing International firms. It was early into the new millennium and the boutique professional financial services company, situated in the northern US, had matured over the past decade from a regional and municipal shop with roughly $300 million in assets under management (AUM) into full bloom as a national and international firm with between $10-15 billion in AUM. With cultivated expertise in money management, it had become attractive to larger global firms looking to expand their fleet, not through fire sales and rescue lifts, but through the purchase of 'revved up' and fully charged assets that would show immediate benefit and complement their existing expertise profile.

The first offer was from a European firm with offices in the US that was primarily interested in leveraging the MNP local brand and distribution channels. The terms of the proposed offer outlined the immediate transfer of operations of one of the business units out of state, and while this offer presented a more persuasive price tag, this was balanced with the disappointing reality of redundancies of fifty percent of MNP's existing team. As a testament to the company's self-described 'focus on people', the seven board members voted to reject the offer in favour of a less-profitable offer that promised the retention of all staff and continuation of 'business as usual' with relative autonomy. This second offer came from a domestic firm, with offices in the same city. Promising investment into the company to support their dreams of growth in size and product range, the offer was attractive in its own right and was greeted with strong support from most MNP employees.

The Two-fer

What was not known at the time to MNP was that their new parent was in turn being courted by an international firm looking to acquire. The holidays passed and two weeks into the New Year MNP employees were told for the second time in almost as many weeks that they'd been bought. The adoptor had become the adoptee. The new parent was a Canadian bank (Big B) with global operations and offices around the world. When the shock wore off, MNP employees and former Board members alike shook their heads and took stock of their new circumstances. The conditions that had made the initial offer attractive were still in place. No one was being displaced. In terms of supporting the dream of growth in size and product range, Big B had the name, size, resources and commitment to make these ambitions even more attainable. Other than some, 'aw shucks – we should have asked for more money' misgivings from the former Board Members, nothing had been lost or discounted with the surprise acquisition. Indeed, it promised that much was to be gained.

Motivation for the Acquisition

At the time of the acquisition(s), MNP had roughly 100 professionals in its employ. Described as very well educated, often quantitative intellectuals, these employees were interested first and foremost in providing great financial services to their clients, with whom they worked closely. MNP employees prided themselves on the deep professional relationships they formed with their clients, and on the legacy of consistent performance that had arisen from the combination of financial expertise coupled with understanding the needs of their clients. They wanted to be part of an organization that was growing, that had strong leadership, and that knew when to step out of the way and allow them to do what they already did well. MNP had enjoyed the flat structure and absence of formal titles that characterized most boutique firms. Its leadership group was comprised of two majority shareholders who each owned one third of the company, and five minority shareholders who owned the rest. These shareholders determined the overall strategic direction of the firm through their Board decisions, but also operationally, led their individual business units autonomously, leveraging their respective expertise and networks to run and grow their parts of the business as they saw fit. This meant that even as their AUM grew, MNP remained small and nimble with simple reporting lines and easy access to decision makers by employees and clients.

Big B espoused the belief that if an asset was purchased that was operating well and was under good leadership, then why go in and mess things up. And so, for the next several years for MNP, it was business as usual. The business cards, the email addresses and the titles all remained the same. The MNP brand had a stronger presence in the US marketplace. Additionally, clients and consultants shared a negative perception of being own by a bank that was anchored in their reputation for bureaucracy. It was a commonly-shared notion that bank ownership would deflect focus from the client to the attention-draining tasks associated with reporting requirements and risk requirements, and creative client solutions would fall victim to restriction, security and privacy pursuits. So the MNP brand was kept to assuage clients, and employees from its first parent were folded in.

For some this ongoing independence was celebrated as a nod to the company's trusted legacy that appealed to the self-governing character of its entrepreneurial-minded employees. For others it was a disappointment, as it also meant that the growth in product range and global reach wasn't keeping apace of the initial acquisition promises and vision. Without the focus, finances, and network of its new parent, MNP was left to rely on its pre-acquisition growth strategies. To these individuals, they felt not like the resilient sibling permitted to thrive alone, they felt like the orphaned child – an acquisition tag-along who in the short-term at least, had been forgotten. But MNP was not forgotten, and its time was soon to come.

Merger and Integration Strategy

The financial crisis of the late first decade of the 2000s created a powerful shift in the industry perception of Canada's banks in the US. Big B's 'survivor' status was well known in the US and globally, and suddenly the perceived bureaucracy of the bank was forgivable in light of its proven durability. With this shift in perception it became suddenly attractive to be owned by a bank, and all that was previously viewed as a negative – conservative, risk averse - was now a positive. Big, stable, well-capitalized, and top rated – the Big B brand was now a poster child for financial safety and security. Where the brand inspired pride in its employees, it in turn inspired confidence in existing and potential clients – and this at a time when confidence in the finance industry was at an all-time low. It was perfect timing for Big B to leverage its brand power and officially pull together its several independent boutiques into the collective, Big B Money.

MNP was the first to adopt the new branding, and in doing so, it leapt from forgotten to favoured. New ideas were incubated and funded, the product range was expanded, and the US-based team was able to access the strength and expertise of its new siblings and the full resources of its parent. Although, for the past eight years MNP had been a wholly-owned subsidiary of Big B, with the decision to fold the company into Big B Money, MNP employees were only now experiencing the practical and cultural challenges of integrating into their parent company. In addition to the organizational cultural challenges that shifted MNP from a relatively flat and informal boutique into a more layered and formal structure, and normative differences of nomenclature (eg., client services people vs sales people), there were also the subtle traditional cultural differences of national heritage to contend with.

Additionally, some MNP employees were experiencing delayed reactions to the acquisition that reflected common anxieties and questions about job security, or the company's ability to continue to provide input and drive their own path forward. Remembering that MNP's boutique culture arose from the entrepreneurial, individualist, risk taking character of its shareholders and employees, and the challenges of integrating individuals into teams becomes apparent. There was some fear that conformity and consistency would squeeze out that entrepreneurial soul and rob clients of the candid relationships on which the business had rested. They soon discovered that the commitment to the client was preserved and strongly advocated by their new parent. Some pointed to the new reporting and regulatory reform as examples of the bureaucracy they had worried about; others reminded them that these new requirements were a sign of the times that would have crept into their operating practice with or without Big B. The advantage to their ownership by Big B was that they had access to some of the best teams and advisors in the business to help them meet and report on the new requirements.

The benefits to the client were immediate. In becoming larger, former MNP employees were able to offer an expanded array of investment opportunities to their clients. The broader team also meant they had stronger capability overall with a range of distinct areas of expertise to draw on for counsel. So, despite the surprise acquisition and delayed integration, MNP was finally on course to realizing its ambitions of growth and globalization.

Case 2: Macro-economic Context

The period 2007-2009 has gone down in history as a period of the greatest financial crisis since the Great Depression. What was initially triggered by excesses in the US mortgage market, the combined challenges of de-regulation and overleveraged asset backed paper launched as a global crisis (Knight, 2012). What followed in the US in particular was a period of financial distress where corporate and personal assets were dumped in ‘fire sales’, and banks that survived clamped down on their credit services, bringing the economy and confidence to a halt. In the financial industry, the financial crisis was experienced quite differently on either side of the border, with Canada experiencing some funding strains but managing to recover fairly swiftly, and the US continuing to struggle through wave after wave of impact and concomitant decline. This resulted in a capitulation in the US public’s perception of the Canadian banking system. Where the resistance to rampant deregulation and the loosening of restrictions in Canada’s financial industry was credited for its resilience to the crisis (Knight, 2012), Canada’s banks enjoyed the reversal in public perception from risk-averse and overly-controlled to stable and reliable. For a more detailed description of the macro-economic conditions during this time period, please see “Surmounting the financial crisis: Contrasts between Canadian and American Banks First Thomas O. Enders Memorial Lecture”, (Knight, 2012).

VAN

It was a very cold and rainy February day when employees at VAN received an Outlook appointment request for a mandatory meeting. In this boutique firm, it wasn't all that uncommon to receive sudden notice of company-wide meetings, but for it to come out on a Friday afternoon alerting employees to a Monday morning meeting, left employees wondering, 'Jeez, what's happening?'. It was 2008. The financial world was coming apart, and while VAN was surviving the turmoil relatively unscathed, the term 'relatively unscathed' had become a more accurate descriptor of survival than of success. VAN's roughly three hundred employees collectively suffered a restless weekend, many swinging between paranoia and despair, and hopeful optimism, wondering what news of the firm's fate would be shared Monday.

The firm's functional leaders met an hour before the teams were to gather, and heard a very emotional presentation from VAN's CEO. The firm was shedding its boutique independence and merging with a larger parent financial institution, well known to the team as Big B. What was legally an acquisition was an hour later passionately communicated to employees, during simultaneous meetings in four cities across the country, as a strategic merger. As far as mergers go, this one moved quickly, and within less than six months from signing the letter of intent, the deal closed. While the two former legal entities were united into one, the integration of the two entities wasn't as unequivocal. Administrative details like pensions, benefits, and salaries encountered a perfunctory snap-off snap-on transition that literally changed overnight. However, the integration of cultures experienced the usual fold-in ambiguities and delays as a new normal was established. This was in no small way muddied by initial worry about the role and location of VAN's current CEO, Peter Boyd (pseudonym). Peter was more than a respected and trusted leader, he was the 'face' and for many, the identity of the organization. There is a common belief that the top brass of the acquired firm is usually transitioned out as part of the transaction agreement. Where Peter's leadership was so dominant and central to VAN's entrepreneurial culture, it was feared he would be excused to facilitate a swifter assimilation.

The announcement was met with mixed reactions from employees; surprise being the most common. VAN had a long history of being courted by big-eyed potential suitors who until now, had all always been politely rejected. Previously, each flattering merger proposal had failed a general assessment that evaluated each offer, full integration or strategic partnership alike, in terms of its proposed benefit to the client base. Until now, none had convincingly tendered this essential advantage. Some saw the merger with Big B as a welcome bunker in a perilous economy. Others saw Big B as the city mouse who could introduce its new country cousin to previously out-of-reach global markets and scales. The optimistic-but-wary saw the potential client benefits of a secure parent, broader product ranges, and deep pockets. And a small group, fiercely loyal to VAN's maverick image, saw it as big brother wringing out the entrepreneurial spirit before folding it flat and submissive into those deep pockets.

It was the perceived cultural symmetries and compatibility of the businesses that initially validated the merger, but where the two merging companies were most aligned was in their undisputable focus on what was best for the client. This meant that regardless of the pains and bruises of integration, attention was foremost focused on ensuring a swift and easy transition for clients.

The Maverick Unicorn

VAN's story reads like a business school fable of the little shop that grew from nothing into a multi-billion dollar ($60 billion AUM) boutique in under forty years. Over those four decades the company was cultivated through organic and acquisitional growth, ever maintaining its entrepreneurial spirit and innovativeness, even as the number of invested shareholders expanded to nearly fifty. Throughout its evolution, VAN retained its distinctive boutique features, sustaining a flat structure without formal titles, and circumventing the bureaucratic decision machine in favour of round-table shareholder meetings where the best ideas were rapidly incubated, championed, and elevated into practice. Other outcomes of the flat, informal structure were accessibility and transparency. Unencumbered by layers, levels, and titles, employees and clients alike had access to principle shareholders and decision makers, which built confidence, capability and efficiency, and in turn reinforced ethical practice. It was these distinct features, coupled with a resolute independence, that attracted to the company the best and the brightest in the industry.

Being successful and being unique helped to build trust and loyalty among employees, and afforded VAN some flexibility and license to take some risks and do things differently. These decisions weren't without parameters however, and chief among them were always the two questions, 'how will this benefit the client?', and 'will this give our clients any reason to not refer us to others'? As a company that relied on word of mouth referrals, these were two essential questions that kept the company pointed in the right strategic direction, while allowing them to explore new client solutions that met each litmus test. In doing so, VAN carved out a successful niche in its industry. VAN had the benefit of walking in with a unicorn flag, putting it in the dirt and espousing, 'We are unique because we are independent, everything we offer to you we believe in and invest in, and we're good at what we do'. There was liberty and pride in not being forced to wear the jacket.

With the merger some of these distinctive boutique features were shattered. There is a certain cache in having clients seek you out, rather than the reverse, and there was a concomitant ego slap in being told that VAN employees now had to actively pursue business. Ignoring the letter-count, 'sales' was a four-letter word among these employees who, if truth be told, had never been afraid to ask for business, but who reinvented their own legacy story omitting this banal task. The result was some resistance to the identity of the salesperson, as employees asserted, 'that's not who I am'.

An additional ego slap was dealt in the raising of a pyramid from a formerly flat structure. Where previously there had been only shareholders and employees there were now a series of levels and labels, and regardless of one's origins, one cannot help but associate level with status.

There is nothing more personal than a label; the assignment of titles and ranks became a sudden and piquing example of culture change.

Despite these perceived negatives, there was much for VAN employees to celebrate about the details of the acquisition. A trademark of VAN's public identity that made it attractive to clients and recruits was its independence from the big banks. Indeed, part of the implicit contract between the firm and its clients and employees was the commitment to this independence and the creativity and client focus it was presumed to connote. Many of the employees who joined VAN prior to the merger had actually fled from big banks because they didn't want to be part of the big manufacturing publicity machine. Clients who sought out VAN were interested in low fees and transparency and they believed that the structure gave them ready access to trusted employees and principals alike. This was a highly coveted value proposition that no one wanted to forfeit, and so the decision was made to retain the VAN branding as a signal to clients and employees that the merger wasn't changing the essence of the firm. Retaining its branding conveyed evidence that all that made the firm unique and appealing would be preserved. Not only was the VAN branding retained, it was permitted to remain solo - without any hyphenation or symbolic nod to its new parent brand. While this avoided the alphabet soup of abbreviated names, it also meant that VAN's culture and identity continued to endure as a subculture within the context of a larger organization. As subcultures go, they can sometimes manifest in unexpected ways.

Among the top positive news of the merger was the announcement that their beloved leader was not only staying, he was being appointed CEO of the newly formed company. In fact, as the company merged into the newly formed Big B Money, it contributed four to the eight-member executive committee, which aroused a chorus of 'hurrays!' from the VAN employees, but raised some eyebrows and stirred some Legacy Money employees to wonder, 'I thought we bought them - did they buy us?'.

From a day-to-day operations perspective not much changed. Despite the anxiety, everyone showed up to work the next day to find that what they did and how they did it and with whom were still the same. They still had their name, their brand, their own clients, and their leader. Some described it as a small 'a' acquisition, others as a reverse takeover, but the conciliatory leaders described it as a merger of equals. At the back-end there was more change, as functional groups met to unite systems and processes. While there were few redundancies and thus minimal anxiety about this detail of the acquisition, there was a feeling of 'having a bunch of strangers poking around in our stuff', as the books and client accounts were opened. It was in these moments that the small 'a' of the acquisition swelled to its true size, and that VAN employees and shareholders were reminded that a parent was now in charge.

Motivation for the Acquisition

At the time of the acquisition, VAN was struggling from a balanced management standpoint because equity numbers, primarily US and global, were dragging performance down. While clients did elect to partner with VAN because of the company's impressive track record and the great relationships and trust they had built, there comes a point in a fraught economy when this isn't enough. A former VAN employee explained, 'we were doing okay but we weren't doing well enough to win enough new business to not consider a merger '. When the reality of VAN's situation was thrown up on the screen it was sobering for some. The shareholders had a decision to make. They could cross their fingers and continue along the same path and endure the tumult in the economy with the risk of contraction. Or, they could purposefully shrink and hunker down until the seas settled.

Or, they could grow. And while this seemed the least likely option given the context, and given that everyone else was doing the opposite, growth was the only reasonable option in light of the entrepreneurial and competitive spirit that had founded the company. Part of VAN's value proposition had always been that is was different – and now what made it different was that it chose to take the lemons it had been handed, and grow lemon trees! It would partner with a survivor, and it would grow.

How the company would have fared independently throughout the economic crisis will never be known, as the acquisition draped a protective arm around VAN allowing it to continue to thrive. What Big B Money saw in VAN was a partner who could round out their own expertise in the individual market with a highly successful domestic institutional practice that had a market share of thirty-five to fifty billion dollars.

Despite its success and dominance in the institutional space domestically, the VAN brand meant nothing to a client in Zurich, but its new parent did, and thus the potential to piggy back into new global markets was a compelling motivation for VAN's growth-oriented shareholders to relinquish their independence. From a career perspective, this offered an appealing potential benefit to VAN employees in lifting the ceiling so that they could pursue broader, more diversified, and longer careers within a single organization, with the promise of desks in global as well as domestic offices.

For most employees these were numerous and compelling reasons to accept the proposal from Big B, though the benefits were differently perceived and valued. While the uncertain economy made Big B's broad shoulders and deep pockets a more salient benefit, there were those employees who were drawn to the boutique for its innovative energy and creativity who wondered if they had just sold their entrepreneurial soul in exchange for orthodox stability.

Acquisition and Integration Strategy

Where MNP had been a snap-on acquisition, VAN can be described as a partial fold-in, with functional activities fully centralized and integrated with Big B's groups, and its client facing teams remaining sovereign. Big B began to dismantle some of the misperceptions of its newest employees immediately, seeding three new initiatives within the first month. The shareholder-servile stereotype was further undone when they dazzled both clients and their new employees alike by doing the unexpected – lowering fees. These two actions were great early validation of the acquisition decision, and demonstrated that Big B did indeed put the client first – not Bay St.

VAN had always been, first and foremost, a people company. As a signal that the notion 'our people are our best asset' was more than an espoused value, the shareholders decided to share their windfall among all 300 rank and file of the company. This acquisition bonus was no small amount, and seventy-five percent was distributed immediately to shareholders and employees, and twenty-five percent was held back as a stay bonus for three years. This amounted to an extra annual bonus come three years which was nothing to sneeze at, but it also wasn't the golden handcuffs that one might expect. A worrisome outcome of any acquisition is the loss of the talent who built that name. That was what the buyer was hoping to purchase. The acquisition bonus was generous, but it wasn't enough to keep you if you really wanted to go. Thus, there were the usual engagement and retention concerns, however these were quickly abated as the cheques were cashed and employees continued to 'show up' in both attendance and commitment.

Perhaps this was due to the fact that VAN's shareholders and leader all remained actively engaged in the business themselves. They hadn't departed with their cheques to sip champagne in a hammock; they were in their places, continuing to lead the 'work hard' culture. This also helped to reinforce the view that VAN's soul was still intact. Perhaps it was also due to the broader macro-economic conditions that meant that fewer employers were in a position to poach their best and brightest. As successful acquisitions go, perhaps a bear market couldn't have come at a better time!

Or, perhaps it was that the activities early on were dissolving the Big B bias. VAN employees found that despite the economic noise around them, they were introducing new products, decreasing fees, keeping their brand, and going global. It wasn't about cost cutting, it wasn't about increasing fees, it wasn't about slashing head count – it was about making the business bigger. The most dazzling surprise for many VAN employees was that Big B Money was also a professional services firm that had that boutique feel, and had smart, like-minded people who wanted to win and grow.

In better times, when the rest of the acquisition bonuses were paid, Big B Money wondered if now the other shoe would drop. Surely this would signal the regrettable and predicted departure of talent. But the cheques were cashed, and other than a few expected retirements, these 'free agents' once again returned to their desks.

Looking backwards, during the initial 3-4 years of the integration some growth and client initiatives were put on the back burner, and the expected growth fell short of some initial targets. Some might attribute this to the unfavourable economy and others to Big B's conservatism. Despite this, there was investment in the business and the promise of new client solutions being incubated until the time was right. A handful of departures occurred during the initial 3-4 years of the transition as some individuals struggled to adapt, but over-all attrition rates continued to remain in-line with, or slightly below, the industry average, and employee opinion results taken during and after the initial merger showed stronger-than-average commitment and satisfaction levels (interview notes). These and other performance metrics defied the expectations of an integration period that occurs during an ailing global economy, and reinforced for most, that the acquisition decision was the right one.

Forming Big B Money

Since its inception Big B has been dominant player in the Canadian financial services industry in terms of assets and market capitalization. Over the past 140 years the company has morphed into a global force with offices in more than 50 countries and with revenues of close to $30 billion. Despite its reputation as a conservative bank, its long history of performance and integrity had made it a highly recognizable and respected brand within Canada. More recently, its resilience to a decade of underperformance, criminality, and shame among other international competitors had reinforced and elevated the brand to be celebrated in global markets as well. The company had set some lofty expansion targets for its business segment that operated Legacy Money. Some of the growth would happen organically through greater share of wallet, new investment products, and notable investment performance, but the strategy also needed to involve acquisitions.

Legacy Money was a business unit within Big B that provided professional financial services to both institutional and individual clients. It had operated for several years within Big B relatively independently, enjoying the autonomy of a boutique, while also benefitting from the global branding and bullet proof balance sheet of its parent. Within and among its sibling business units (BUs), Legacy Money enjoyed a certain prestige that arose from its boutique status and from the enviable relationships the small group had with some of Big B's highest net worth clients that translated into roughly $100 billion AUM. Outside of the company however, the team sometimes struggled against an industry bias that attributed the same unflattering characteristics that were assigned to its parent; sluggish, bureaucratic, pricy, and trite. Within the industry there was the unmerited perception that one would get mediocre service and performance from any big bank. As calendars flipped into the new millennium, Legacy Money found itself occasionally at the mercy of these perceptions, despite a strategy and a track record for putting the clients' interests first. Perhaps because of the weight of these misperceptions, the entrepreneurial spirit was alive and well at Legacy Money, as its small group of roughly 150 professionals endeavoured to demonstrate that it was a legitimate and desirable option to potential clients in new markets.

With the purchase of MNP, and a few years later of VAN, Big B found itself with two new racehorses. While all three boutiques were strong performers in their respective markets, the alluring promise of synergy prompted the merging of the three into Big B Money. Imagine the race on an international track with these three steeds pulling the cart! MNP was first to change its name, likely due to the market conditions at the time that lent more cache to the Big B brand than to its own. Legacy Money was next to make the shift, reversing years of practice of dodging the perceptual constraints of its parent brand to now wear it proudly. Domestically, institutional clients remained skeptical about the client-versus-shareholder orientation of any bank, and that perception, coupled with VAN's strong brand informed the decision to tuck VAN into the Big B Money group on paper, but maintain its established name.

From the start the mergers had a collaborative feel. This was not a crunch job where three parts were being put together to eliminate costs and yield a bigger margin – they were building a bigger business with the best pieces of all three. And, Big B knew they were acquiring two strong firms - not rescues that were fading or sinking. They knew that the best way to leverage the attributes that had attracted them was not to seek assimilation, but rather to pull together a mosaic of the best features of the three. The habit of referring to the acquisitions as mergers was evidence of this mindset. The three businesses were quite similar in terms of size and scope and so at that level at least there were no obvious dominance issues that would potentially derail the 'merger of equals' mindset.

Counter intuitively, the transition of the three legacy businesses into the Big B Money collective may have been experienced most sensitively by the original in-house Legacy Money team. For starters, there was a legitimate fear of, 'Oh boy, now we are on the radar.' Despite being anchored within Big B, the group had until now been insulated from the many cumbersome markers of bureaucracy that existed within other business units. With the merger of the three businesses, the group had swollen to roughly $270 billion in AUM, and could hardly expect to be exempt from the policies, procedures, regulations, and even position levels of the company. As an exceptionally performing group it was difficult for some to move over and make room for two more groups of stars. The pond may have grown but suddenly there were more big fish in it. Furthermore, the group had worked hard to establish a strong name within the industry. With the formation of Big B Money they were not only being asked to change their name, but one of the two acquired companies was not being compelled to do the same. To some this felt like an undisputable demotion of status. To others, it felt like the hard work and consistent performance that had built the reputation of the legacy group was being invalidated or overlooked in favour of a shiny new toy.

The VAN team was that shiny new toy. The price that had been paid to purchase the company crystalized the theoretical net worth of those individuals. The retention of their brand further validated that worth. And the announcement that their CEO would lead the new group's Executive reinforced the durability of the group, even in the face of an acquisition. The VAN employees would have been too tactful to suggest it, but some of their legacy counterparts who felt particularly disenfranchised wondered aloud if there had been a reverse acquisition. "I wake up one morning and their leader is running the show. I'm wondering, who bought who here anyways?" What likely changed most for the VAN team was the introduction of an explicit employee-employer relationship. While only 47 had been shareholders, there had always existed a strong commonly shared ideal that 'we own this firm', which was likely reinforced with the acquisition bonus that was paid to every employee. Even with so much of VAN still intact, it was now clear to employees that they didn't "own" this firm.

For the MNP group the merger with Big B Money was long awaited and for most employees the immediate benefits and elevated status erased any irritation or slight they might have experienced with being forced to endure 'another integration'. All three groups were surprised and relieved at the immediate decision to lower fees, and keep them lower. This won each group some early trust with their respective clients by demonstrating that the alignment with Big B might prove beneficial. This helped to unravel some of the tightly woven Big B biases.

Today, Big B Money is in the top 75 firms globally in its industry, with the aspirational but achievable goal of breaking into the top 20 by 2015 (interview notes). Within the institutional market, VAN is the brand domestically, while Big B money is the brand outside of Canada. Presently, Big B Money has roughly two hundred and fifty people in each of its three legacy businesses and a global team of roughly the same size distributed throughout Europe and Asia.

Big B Money continues to work through the challenge of transitioning and uniting the three legacy groups into a single firm. Nomenclature issues aside, there are ongoing tensions that pull between the desire to nurture the multi-boutiques with the desire to pronounce themselves a single united group that can hold its own on a global field. By traditional metrics the acquisitions and eventual merger of the boutiques has been a success. But, what of the promised synergies? Have these been realized or have the subtle affronts to egos and identities suppressed those expected returns? In an M&A arena of this scale, it's these incremental and intangible successes on the human side that may translate into tangible benefits of pace and cohesion and the innovation that comes when diverse minds train their focus on a common goal.

Chapter 5: Analysis and Theory Building

Perhaps the most compelling argument for the case study research methodology, in addition to the use of multiple sources of data, is the deliberate inclusion of context in the interpretation and analysis of that data. This holistic approach facilitates a rich and vivid perspective that enables the researcher to paint a layered picture of a phenomenon. Through the analysis of numerous pieces of subjective data, a more objective whole is woven.

Data Analysis

The primary objective of the data analysis stage is to surface salient concepts or themes (Strauss & Corbin, 1990). This research study used a multiple-case embedded design, involving two similar cases (Yin, 2008), where the level of analysis is at the organization level as well as at the individual level (Creswell, 1998). The multiple case design offers two key advantages; firstly the overall study is regarded as being more robust than a single case as evidence from multiple cases is often considered more compelling; and secondly, the design allows for the building (or rejection) of replication logic (Yin, 2003). According to Yin (2003) the multiple case studies should be deliberately selected to predict a similar result (literal replication) or predict a contrasting result but for predictable reasons (theoretical replication).

The objective of this research study is theory building – to propose an explanation that helps to answer, 'how do knowledge workers respond, behaviorally and socially, to a merger or acquisition?' The analytical technique of theory building typically focuses on an iterative approach whereby; a) theoretical statements or initial propositions are expressed; b) findings of the initial case are compared with these initial propositions; c) the initial propositions are revised and refined; d) the initial case is compared with the new revisions; e) the revised propositions are compared with the data from additional cases; f) the initial propositions are again revised and refined (Yin, 2003, p. 121-122). The proposed research study will employ a hybrid version of this explanation building technique, conducting within-case and cross-case analyses that will examine the individual and collective data, using proposed variable and dimensions and their supporting extant literature as a departure point for the research, and then considering other emerging variables and dimensions to revise that initial point of departure. Yin (2003) cautions that a potential challenge with this approach lies in the iterative process itself which could gradually coax the researcher down tangential paths and deflect attention away from the initial 'how' and 'why' to explore newly surfaced curiosities. Meticulous adherence to the protocol and continuous reference to the guiding research questions helped to orient and anchor this analysis and manage the temptations of scope creep.

The cases will be subject to both within-case analysis and cross-case comparison analysis. The within-case analysis supports the researcher in developing familiarity with the data, and in the generation of preliminary data (Eisenhardt, 1989). The cross-case comparison will focus on similarities and differences between the two cases, looking at patterns that emerge as the data are considered through multiple lenses. This research study relied on theoretical sampling (Glaser, 1992), whereby the cases were purposefully selected to replicate or extend the emergent theory. In this instance the cases involved the same acquiring organization, however the integration strategies represented polar types (Eisenhardt, 1989). The theory that emerges from this analysis will reflect the expression of the variables of interest (and the variables and dimensions that were uncovered serendipitously) within and across the cases and will aim to provide some insights into understanding the implications of the polarized integration strategies.

Qualitative research studies are often characterized by the synchronized occurrence of data collection and data analysis (Glaser & Strauss, 1967, cited in Eisenhardt, 1989). This ongoing overlap of data collection, coding and analysis allows for adjustments to be made to the data collections instruments, and affords researchers the opportunity to probe emerging themes or dimesions that arise serendipitously, or that emerge because of a unique opportunity that presents itself during the data collections stage (Eisenhardt, 1989). This flexibility is, "controlled opportunism in which researchers take advantage of the uniqueness of a specific case and the emergence of new themes to improve resultant theory" (Eisenhardt, 1989, p. 539). This flexibility is also essential to the iterative approach to theory building that characterizes case study methodology.

This research study will pursue a data analysis strategy described by Yin (2008) as 'relying on theoretical proposition', whereby the propositions themselves are rooted in theory, and the researcher looks for evidence and data that support (or reject) this theoretical premise. Where an alternative data analysis strategy would focus on exploring rival explanations, the qualitative equivalent of refuting the null hypothesis, the selected strategy will prioritise the guiding curiosities and premises that inspired the research. In the sections that follow, the a priori and emerging dimensions and variables will be analysed and any relevant propositions will be examined in terms of how the data support or contradict the proposition and the extant research it was rooted in.

The data analysis will be held to the four principles outlined by Yin (2008) to ensure it is high quality and credible, including; a) the analysis will attend to all evidence to mitigate vulnerability to alternative interpretations and to show robustness of the process; b) the analysis will address major rival interpretations and should my findings support these rival hypotheses, will propose their study for future research; c) the analysis will address the most significant and important issues, and resist being muddied by detours into tangential waters; and, d) the analysis will be informed by my own prior, expert knowledge by circling back to reference the existing theories and literature that inspired the research questions.

The use of a theoretical framework is not always present in case study research, especially where the case study is descriptive or exploratory (Stake, 1995), however this research study employs an analysis process that iterates between the data and existing theories to refine construct definitions and to confirm, disconfirm or revise existing theories, or propose a new explanation (Eisenhardt, 1989). Each variable will be considered first within the context of each independent case, and then compared across the cases in pursuit of replication logic (Eisenhardt, 1989; Yin, 2008).

Part of this iterative process of data analysis involves 'member checking' whereby the researcher shares and verifies the data they have captured and their interpretation of it with the participants themselves (Creswell, 1998). This review process often occurs throughout the data collection phase, the data analysis phase, as well as in the final drafting phase. This offers the potential benefit of boosting validity, as participants verify the accuracy of the captured responses and the facts of the case. Member checking of facts and details occurred twice during follow-up interviews, and a third time during the final drafting phase when the case descriptions (chapter 4) were shared with a participant. This step will mitigate the likelihood (and the impact) of false-reporting, and bolster construct validity (Yin, 2003).

A second benefit to this review process is that it triggered new data from participants that they failed to recall during the initial data collection period. As an additional step towards inter-rater reliability, I engaged the assistance of my advisor (Jack Duffy) to cross-check categories to evaluate consistency in coding and thematic inclusion.

Within-Case Analysis and Cross-Case Comparison

The within-case analysis is a key step in case study research methodology that supports the researcher in navigating through the potentially overwhelming volume of data in an effort to explore an intentionally open-ended research question (Eisenhardt, 1989). This step in case study methodology allows the research to filter through the vast data to identify unique patterns that emerge in each case before seeking generalizations across the cases (Eisenhardt, 1989). It also allows the researcher to consider any a priori hypotheses or variables of interest at each case level, and to identify any serendipitous or unique patterns or themes that emerge that need to be considered in the building or revision of theory. Some researchers prefer to analyse pairs of cases in terms of similarities or differences. The approach that will be used for this analysis stage will be to work from dimensions or variables, starting with those that were considered a priori, and then exploring new dimensions or variables that emerge from the data, looking for cross-case similarities and differences (Eisenhardt, 1989). This approach helps mitigate the danger of dropping disconfirming data and arriving at a premature or false conclusion (Eisenhardt, 1989).

A Priori Dimensions and Variables

Resistance to Cohesion-Building Behaviours

Proposition 1: Identity resistance will manifest itself in forms of withholding social cohesion-building behaviours.

Proposition 2: The mediating effects of identity will influence resistance responses in a similar manner among participants from the host and the acquired companies.

The core objective of this research study was to observe if and how knowledge workers respond uniquely (from other previously studied cohorts) in response to a merger or acquisition. The a priori assumption that informed the departure point for this research predicted that resistance responses manifested by this cohort would be characterized by behaviours that were aimed at resisting the adaptive affective dimensions of identity relating to social cohesion among and between the host and acquired group(s).

The definition for resistance to social cohesion building behaviours was previously presented in chapter 2 (Literature Review), and is anchored in the 'withholding effort' construct that is found in other disciplines informing this research. The proposed definition of resistance to social cohesion building behaviours proposes that 'the in-group members of the dominant organization or work group will endeavour to keep transitioning members from the acquired organization or workgroup on the periphery, and resist attempts at social integration, in an effort to defend against perceived dilution of identity'. Data analysis focused on reports of behaviours, activities, or attitudes that reflected this proposed form of resistance; that is, behaviours, activities, or attitudes (or the absence-there-of) that seemed to polarize members of groups, socially, or that seemed to alienate or exclude members of one group despite the obvious socially adaptive benefits of unity and cooperation.

The relationship between host and acquired groups for the MNP merger were largely reported by participants as strong and socially cohesive, although limited by geography.

> "There's not really much opportunity for us to work with the [Legacy Money] team. We have different focus – different clients. But they have a lot of expertise up there that we tap into. When we talk on the phone they're a good bunch of people." (Interview transcripts, MNP employee)[1].

> "I'm back and forth between the two cities quite a bit. It's business as usual. We don't socialize all that much, but neither does the [Legacy Money] team. Apart from the usual squabbles, everyone seems to get along well." (Interview transcripts, Legacy Money employee speaking about MNP).

> "…to bring people in to try and make it feel like part of the organization. I think we have to get – there's lots of natural contact and lots of natural connections so it was easier to feel culturally – to start to build bridges with – between Legacy Money and VAN because we were both located at least in the same country. It's harder with our US business." (Interview transcripts, VAN employee)

> "Are you kidding me?! We're part of Big B Money now and we love it. There's a bit of that 'us' and 'them' thing that goes on, but that's more of a Canada versus America thing. No – we feel like part of the team and we lean on their expertise every chance we get." (Interview transcripts, MNP employee).

Conversely, there were reports by several participants of lack of cohesion among the VAN and the merged collective Big B Money team. Some of these reports also cited geography as a source of the cohesion challenges, and others cited lack of opportunity or need to interact, which raises questions about the promise for synergy among groups of professionals who claim to rarely have the occasion or the cause to merge expertise and thinking.

> "We don't really have any reason to work with that team – so, no. I don't even know anyone from there." (Interview transcripts, VAN employee talking about MNP)

> "Well from the behavioral side of things it's still an 'us versus them' mentality as much as - you know - the management try to make that go away, it's still very much in place and not quite sure how to get past that. Like, they just keep right on doing things their own way even though we have processes to follow. It's like they feel like they [VAN] don't have to follow the rules but the rest of us do." (Interview transcripts, Legacy Money employee)

> "For the rest of the business however, it's a bit of a struggle because we – you know we try – we have a lot of collaboration with them on proposals and projects and that and we find it difficult to put the two teams into one room when we're working on a

[1] Interview transcript quotes may have been modified to remove any identifiers. The source of each quote is identified by his/her pre-merger company pseudonym.

project because they [VAN] have their own way of doing things and we have our way of doing things and we've never really kinda brought that together successfully."(Interview transcripts, Legacy Money employee)

"I think it's what they'd like it to be but it's …that isn't something that they are going to attain anytime. The corporate cultures were just way too divergent for that to happen." (Interview transcripts, VAN employee in response to the question, "The hope is that everyone will identify with the Big B Money group as one big team that works cohesively together. Do you think that is happening?")

Analysis between the cases indicates that there was moderate cohesion between the Legacy Money team and the MNP team, and what tensions did exist were largely explained by interviewees as relating to national heritage and geography. Conversely, the relationships between Legacy Money and VAN employees seemed to be characterized by lower cohesion (as reported by the interviewees), with some of that tension also attributed to geography and opportunity, but with much of it attributed to cultural mis-alignment and a sense (among Legacy Money employees) of special treatment of the VAN team.

"On the other side of the business they're always flying business class everywhere and staying in the fancy hotels and you know, eating at fancy restaurants and they spend – they'll spend large amounts of money to – you know to woo the client and stuff like that–maybe that's because it's the difference between [our businesses] but we just find sometimes it seems excessive and when you get on an airplane there's a Legacy Money person and a VAN person and the VAN one is sitting in business and the Legacy Money one is sitting in economy class – you know obviously different rules apply to them." (Interview transcripts, Legacy Money employee)

" – you know what honestly what it comes right down to is I still find he [the CEO] definitely shows favoritism to those – to the VAN people." (Interview transcripts, Legacy Money employee)

"Because – he [the CEO] has made some questionable decisions that have – are being viewed as him supporting his former VAN people and that has been a constant frustration to all the former Legacy Money people.´ (Interview transcripts, Legacy Money employee)

"I think that all the people on the Legacy Money side – like we wanna do what's best for the firm and we wanna – you know want everybody to play nice together and we – I find that we've all bent over backwards to try and you know, do what we were told which is to – it's one entity; we're all part of one firm, we're all working together but when you sort of get kicked a dozen times by the other side of the business because they get special treatment on expenses and they get special treatment on

> this and they get told that they're allowed to do this and we're not allowed – you know once that happens five, six, seven, ten times you kinda get tired of being the one who's making all the sacrifices and not being sort of met halfway. " (Interview transcripts, Legacy Money employee)

A theme that emerged from the data seemed to link cohesion to trust; trust in the expertise and competence of newly merged colleagues, as well as trust in the intentions of leadership to treat all employees fairly and to have everyone's best interests in mind.

> "Again you know it's a formal system but it's a formal system occasionally – if I may say so staffed by people who aren't qualified to be part of the decision-making team. We've [pre-merger] had this ability to go …to legal counsel in a situation where we thought we don't understand what this means and we would go and be able to get pinpointed advice from subject matter experts by going through our external legal counsel and now when we have to go to the law group, [and] we have no assurance that the individuals who are being used have any experience in the areas that we're seeking legal advice on." (Interview transcripts, VAN employee)

> "And so there are people that aren't part of the boutique but are run by a boutique head that kind of think like 'Well I'm not really a part of it' because the [leaders] are all in [VAN location] where they all sit and all the VAN people are a cozy group and the people here are run by that cozy group. Makes people wonder if the best decisions are being made. If we're even considered now that we're run by that boutique." (Interview transcripts, Legacy Money employee)

It wasn't clear from the data if trust was an antecedent to, or an outcome of cohesion in a team, or if it operated at both ends. This is a lingering question that will require further research in a future study.

Finally, there were several reports from participants that related constructs of within team competition and its inverse, collaboration, to cohesion building behaviours. The MNP employees reported a stronger sense of collaboration among the teams, and seemed unaware of the tensions between their other two counterparts. Meanwhile Legacy Money and VAN teams reported a strong sense of unproductive competition and absence of collaboration between their two teams. When asked to describe how the merged teams now work cohesively, the following responses were given;

> "I mean where we are now versus where we were three years ago is a hundred times better but there's still in my mind a lot of work to be done and I guess I'm just a bit surprised at how – you know far along we are in the process on a time basis and how – you know little progress we've made from a collaboration basis." (Interview transcripts, Legacy Money employee)

> [We've] continued to sort of view the [Legacy Money] group as almost competitors." (Interview transcripts, VAN employee)

> "[I've] seen more cohesion at leadership level because of logistics and more opportunity to actually work together" (Interview transcripts, MNP employee)

> "Our two [role name] teams are always wondering – or the first thing they check every morning is whether or not they beat the [VAN] [product name] yesterday. It's bad 'cos that doesn't promote collaboration between the teams if they're trying to beat each other every day." (Interview transcripts, Legacy Money employee)

The issue of nomenclature (i.e. VAN maintaining its unique branding while the other two merged groups rebranded to Big B Money) seemed to be a sensitive topic that emerged regularly during discussions of team cohesion and unity. The MNP team reported skepticism about the validity of the explanation to retain the VAN branding.

> "They continue to resist the Big B branding…..because they're allowed to" (Interview transcripts, MNP employee)

> "I guess the VAN name had a reputation with it and they claim they're going to lose the goodwill that if they change their name. But it seems like more of an employee thing than a client thing. " (Interview transcripts, MNP employee)

Interview participants from Legacy Money also consistently reported concern about the nomenclature, however their comments tended to focus more on the reluctance to shed the VAN identity and transition to the common superordinate Big B Money identity. In particular, the Legacy Money comments focused on the refusal to adopt the principle identity; Big B.

> "Well I know at one point when we moved to the new building about two years ago … our CEO asked that we put nametags on all of the cubicles …we had our office manager create all the nametags and they all had the Big B colors and the Big B logo

> on it …and we went to put it up with the former VAN side of the business – they did not want the Big B logo on their nametags – they wanted the VAN logo on their nametags and so that's sort of an example of it's always been a struggle of them letting go of the former business and embracing the new combined Big B entity." (Interview transcripts, Legacy Money employee)

In response to questions that directly related to this proposition, the interviewees reported several examples of deliberate and intentional refusals to interact socially that seemed to illustrate the resistance to social cohesion building behaviours that were predicted in this study. Among Legacy Money and VAN employees, the avoidance of social cohesion building behaviours ranged from subtle to blatant.

> "I guess you could say that we don't really socialize. I mean, I wouldn't hang out with them [VAN employee] – like grab lunch or a beer. I mean, we sometimes go for lunch, but it's more like taking a client out – not a friend. And there'd be a reason for it – not just to hang out." (Interview transcripts, Legacy Money employee)

> "…never really felt the need to get to know them. Everyone does their job and that's it as far as a relationship goes…..a guy I talk to on the phone every week – I couldn't even tell you if he's married or has kids – no idea. Sounds awful, but I guess I'm not interested." (Interview transcripts, VAN employee)

> "Well we have a small [VAN] team on the floor here so you know, let's just say three quarters of the floor is former [Legacy Money] people and one quarter of the floor is former [VAN] people.…and there's just – you know no interaction from that corner of the floor with the rest of the people on the floor. They kind of do their own thing over in their little corner and don't really even – you know communicate or socialize with the rest the people on the floor. So they've seem to have isolated themselves and the people here really don't – they've maybe given up making an effort to try and – you know incorporate them into the culture on the rest the floor." (Interview transcripts, Legacy Money employee)

> "It was like a bachelor herd of elephants – that team tried to sustain its independent identity even though we're in [the acquirer's location]". (Interview transcripts, Legacy Money employee)

> "There was this group of guys [who] go into a shell; they don't engage after forcing their way onto this floor – they don't engage anybody on the floor. They promote this subculture of VAN as being a better subculture; 'we should never have been taken over by these goofs at [Big B]' – and so it was bad. (Interview transcripts, Legacy Money employee)

Evaluating the Propositions

The data drawn from the interviews support proposition 1 (i.e. Identity resistance will manifest itself in forms of withholding social cohesion-building behaviours). All participants were asked to describe their experience or observations of any resistance behaviours to the merger, and all of the participants commented that they perceived support for the mergers overall. When asked to define resistance, most participants described attitudes or actions that reflected an outright refusal to comply, change, or work, or activities aimed at sabotaging work. However, when asked if they had observed any social resistance in and among the groups (defined as a reluctance to socialize or integrate socially with new peers), most interviewees shared at least one example.

While resistance in the form of withholding social cohesion building behaviours was not reported as a pervasive or overwhelming challenge to the merger, it did occur, and was quite marked within a small group, the impact of which was felt among numerous employees throughout the larger group. However; other related experiences were more widely reported by interviewees that present an opportunity to further elaborate on this theory of resistance to social cohesion building behaviours. The data points to some specific actions, behaviours and attitudes that seemed to influence participants' perceptions of cohesion, that include; opportunity and requirement to work together (proximally or distally), perceptions of favouritism among a particular group, trust in expertise and in the good intentions of leadership, collaborative behaviours (in place of competitive behaviours), willingness to adopt a common name, and conscious efforts to socialize, mingle, and interact with colleagues in a social space (versus intentional and visible isolation and segregation). Perceptions of favouritism emerged as a dominant theme that seemed to influence perceptions of, and expressions of, willingness to engage in cohesion building behaviours. There is an opportunity for future study to examine the impact of 'favouritism' to better understand if it is purely the sense of injustice and unfairness that arouses resistance to cohesion building behaviours, or if favouritism is perceived as an implicit expression of the preference of one identity over others, as a result of its conferred status and dominance.

The data points to two different conditions for the second proposition (i.e. the mediating effects of identity will influence resistance responses in a similar manner among participants from the host and the acquired companies). Within each case, the host and acquired companies seemed to share a common perception of the expression of and reasons for any resistance to cohesion building behaviours. Legacy Money employees and MNP employees seemed to concur that any modest lack of cohesion was due to geographic limitations and the absence of any requirement or need to build tighter inter-group bonds. Legacy Money and VAN also concurred that there was lack of cohesion among their two teams, but disagreed on the reasons for the lack of unity. VAN employees attributed this as a lack of need or opportunity, while Legacy Money employees ascribed it to lack of interest in a social connection or deliberate efforts to remain segregated and distinct. While these perceptions do suggest mediating effects of identity, the data points to two different conditions for this proposition. This suggests an avenue for future research.

Cultural Symmetry

Proposition 3: Resistance responses to the M&A will be mitigated by stronger cultural symmetry between host and acquired firms.

During interviews participants were all asked to comment on their perceptions of the cultural symmetry between the host and acquired businesses and to reflect on the importance of this symmetry. Both the VAN and Legacy Money employees reported strong cultural symmetry between the host and acquired.

> "I think there is a similar in culture – it's all about client first, front page risk avoid at all costs, risk controls and a passion of performance – best in class, hire the best people, be the top of your game every day – that whole mindset is absolutely the same I think." (Legacy Money employee)

> "I would truly look at it as a merger of equals and a merger of like-minded individuals and cultures." (VAN employee)

> "The cultures are a perfect fit." (Legacy Money employee)

While MNP participants recognized that there were cultural differences that were rooted in the organizations' respective cultures, as well as the different national cultures of the two businesses.

> "So there was a distinct culture difference in how we did things" (MNP employee)

> "Well it was okay except we – you know their culture is different than ours and there was some tension there –…I don't think that they realize there's a culture difference in the US and Canada. (MNP employee)

Participants were unanimous in their appreciation for the importance of considering cultural fit, although they varied in their understanding of what organizational culture comprised.

> 'Well I mean the business is a people business – the only asset we have as a business is [what] gets into and out of the elevator at the end of the day – and the culture is why people stay' (VAN employee)

With further probing, participants provided more detail on the cultures of their respective businesses, and on their perceptions of the others'.

> "I think it was probably more hierarchy and a bit more – and a little more – not as much overt enthusiasm for some of the cultural events" (Interview transcripts, VAN employee about Legacy Money)

> "The environment where people want to come to work and really enjoy it is because – in large part because of the culture we got…– it's self-fulfilling; the types of people who enjoy this sort of flat organization where it's entrepreneurial and it's – you know, very collegial – you know they're attracted to it and – but I think we felt if it was a significant cultural change – if it felt different for people coming to work then a lot of the people who had been here and had been key – critical to our business's success today – wouldn't want to stay around in going forward." (Interview transcripts, VAN employee)

> "It's about the personal relationships that have been developed and evolved over time are still there and still recognized by the people. That's what we're about." (Interview transcripts, MNP employee)

> "Well, here there's more division of responsibilities. More bureaucracy. More hierarchy. But our focus is on the client, so that's the same. And we do things faster, but that's probably because we focus on retail and they focus on institutional – those two sets of clients are distinctly different in the way that they're serviced. So ours just happens at a faster pace." (Interview transcripts, Legacy Money)

When asked to describe ways in which the social aspects of the cultures between VAN and Legacy Money were found to be different after the merger, several interviewees commented on the tendency to extend social relationships beyond the boundaries of work.

> "…at the VAN firm – I think you would say today too where they were quite friendly – they socialized outside of the office ……and we really don't do that in [Legacy Money location]. There's a lot of reasons for that – part of it is distances – [the commute] – I think quite frankly another one is that [VAN] was a partnership – was a very small partnership – they grew quite rapidly but maintained a partnership type culture." (Interview transcripts, Legacy Money employee)

> "We didn't socialize together – you know if it was a charity thing or whatever, that was always enjoyable evening but we didn't choose to hang out – that was just the way it was. The people at VAN they work together and they play together." (Interview transcripts, Legacy Money employee)

> "They don't really socialize. It's all work and then hop on the train and home." (Interview transcripts, VAN employee)

What emerged from the data were two key issues; the cultures between the host and the two acquired firms were less similar than believed; and, the impact of this asymmetry may have been less related to the degree of the difference, and more to the awareness of this asymmetry.

Where Legacy Money's culture was formal, hierarchical, ruthlessly ethical (and restricted by policy and governance to ensure this), the other two cultures were each flat, informal and governed by personal integrity and individual ethics. That's not to say that Legacy Money employees weren't also guided by their own values and integrity, but the application of ethics, transparency and accountability at their firm were more formally and explicitly outlined and embedded into practice.

The comments from participants about culture seemed to focus on the business model itself (what we do) and less on the behaviours, norms and values that directed the achievement of that model (how we do). As a result, the perceptions of cultural symmetry were inflated and overly optimistic – but only for one of those transactions. What was perceived as a 'perfect cultural fit' was actually out of alignment in several ways.

> "Everything from how they pay to how they attract to how they retain and fire people is different." (Interview transcripts, VAN employee speaking about post-merger perception of Legacy Money culture)

> "…since the merger it's this team process where you have somebody from law group and somebody from this group and somebody from this group and you get eighteen people together all trying to solve a problem and unfortunately our experience has been that – you know you can be going around that circle for a year and the problem still isn't solved which is kind of – you know crazy making for people who are used to getting something done quickly. So it's a huge cultural difference between the two teams. It's frustrating in the extreme." (Interview transcripts, VAN employee)

Confusion may have been created in the competing strategies of combining the two acquired and the legacy firms into one (Big B Money) with collaborative terms that espoused the formation of a new 'best of all' culture, alongside a concurrent 'extension merger' strategy whereby the retention of VAN's nomenclature and branding symbolically endorsed the maintenance of VAN's culture and independence. Where research has shown that typically it is the culture of the dominant company that endures a merger (Cartwright & Cooper, 1993), the existence of two simultaneous and distinct cultures may have created some confusion for employees as to where to anchor their new identities. Was the newly minted Big B Money culture really legitimate if one of its espoused members was permitted to operate with only one foot in its fold? Interview participants reported a strong awareness of the ongoing presence of a strong VAN culture.

> "I think on the VAN side you know the cultures are strong as what it ever was if not stronger." (VAN employee)

> "They haven't changed their culture. You know, they still have their VAN thing going on, and no one has stopped them and said, 'hang on, remember, we're one big group

> now. We have a Big B Money culture that you need to be supporting'.' (Interview transcripts, Legacy Money employee)

Another interesting theme that emerged from the data was that the MNP participants clearly reported awareness of the cultural differences and entered the transaction expecting to encounter these tensions. Conversely, the VAN employees entered the transaction anticipating strong symmetry and were surprised by the striking and unexpected differences. If you know the needle is going to hurt, it seems to sting less than the surprise jab. The same may be true about managing employees' expectations about the potential for cultural strains and pressures – the anticipation seems to diminish the actual impact. In contrast with Cooper & Cartwright's (1993) finding that cultural symmetry is not as important as one would intuit, these data seem to suggest that expectations about cultural symmetry may mediate its importance. This was an unexpected finding that will need to be explored in more detail in future study.

Evaluating the Propositions

Proposition 3 anticipated that resistance responses to the M&A would be mitigated by stronger cultural symmetry between the host and acquired firms, which is consistent with the extant literature. While it seems intuitive that similarity between two firms will ease a transition, themes emerged from the data that suggested that symmetry isn't enough to mitigate resistance, as other factors were at play. Additionally, perceptions of similarity were quite varied among participants, and also over time (i.e. pre and post-merger perceptions). Future research should apply quantitative measures to more objectively evaluate the cultural symmetry in order to yield more conclusive data for this proposition.

While the data in this study challenge the cultural symmetry notion, the presence of distinct and enduring sub-cultures also simultaneously specify a condition for difficulty in anchoring identities. The data also point to other themes or constructs that can contribute to the theory building of resistance to cohesion-building behaviours. What may play a more powerful role in mitigating resistance responses to an M&A among knowledge workers, is their expectations for cultural symmetry or asymmetry. Thus, awareness of cultural differences emerges as a condition that can lessen actual impact. Other conditions that emerged as potential mitigators of cohesion-building resistance were; a common understanding of the merger terms (i.e. integration, assimilation, no integration), an explicit understanding of the expected outcome of the merger terms (i.e. one new culture, two separate cultures, full assimilation into the existing host culture), and the perception that all parties in a merger are complying fairly with those merger terms (i.e. no favoritism, no exceptions to the consented integration strategy).

Levels of Identity (Subordinate, Superordinate, Principle)

Proposition 4: The stronger the similarity between the subordinate identities of the host and acquired workers, the fewer resistance responses will be observed and reported.

Proposition 5: Strong similarity between the superordinate identities of the host and acquired companies will not mediate resistance responses if group-level identification is very high.

Proposition 6: If there is misalignment between the subordinate identities of host and acquired groups, resistance responses will appear from members of both groups.

There were several levels of identity communicated by participants (see Figure 5.1: Illustration of Assumed and Expressed Levels of Identity), with varying degrees of expressed salience for each level. When asked how they would answer the question, “What do you do? Or, “Who do you work for?” MNP employees typically responded with an expression of their subordinate and superordinate identities.

> “I’m a money manager. I work for Big B Money.” (Interview transcripts, MNP employee)

Similarly, VAN employees typically limited their responses to expressions of their superordinate identity, or of their distinctive subordinate identity. None of the VAN interviewees responded with Big B – the principle identity.

> "I'm still really proud to say that I work for VAN. That's who I work for. The other company just signs my paycheck." (Interview transcripts, VAN employee).

> "Oh, I would never say that I work for Big B. It would depend on who I'm talking to. If it's a client, I'd say I work for VAN. If it's a colleague in (location name), I'm a Big B Money guy. Out here, we're all VAN people." (Interview transcripts, VAN employee)

> "I work for VAN. I manage Institutional clients. Really, here I'd just need to say VAN – anyone who knows it knows –they'd know what I am." (Interview transcripts, VAN employee)

Legacy Money employees also typically expressed a subordinate and superordinate identity, but often made a point of separating themselves from the shared principle identity.

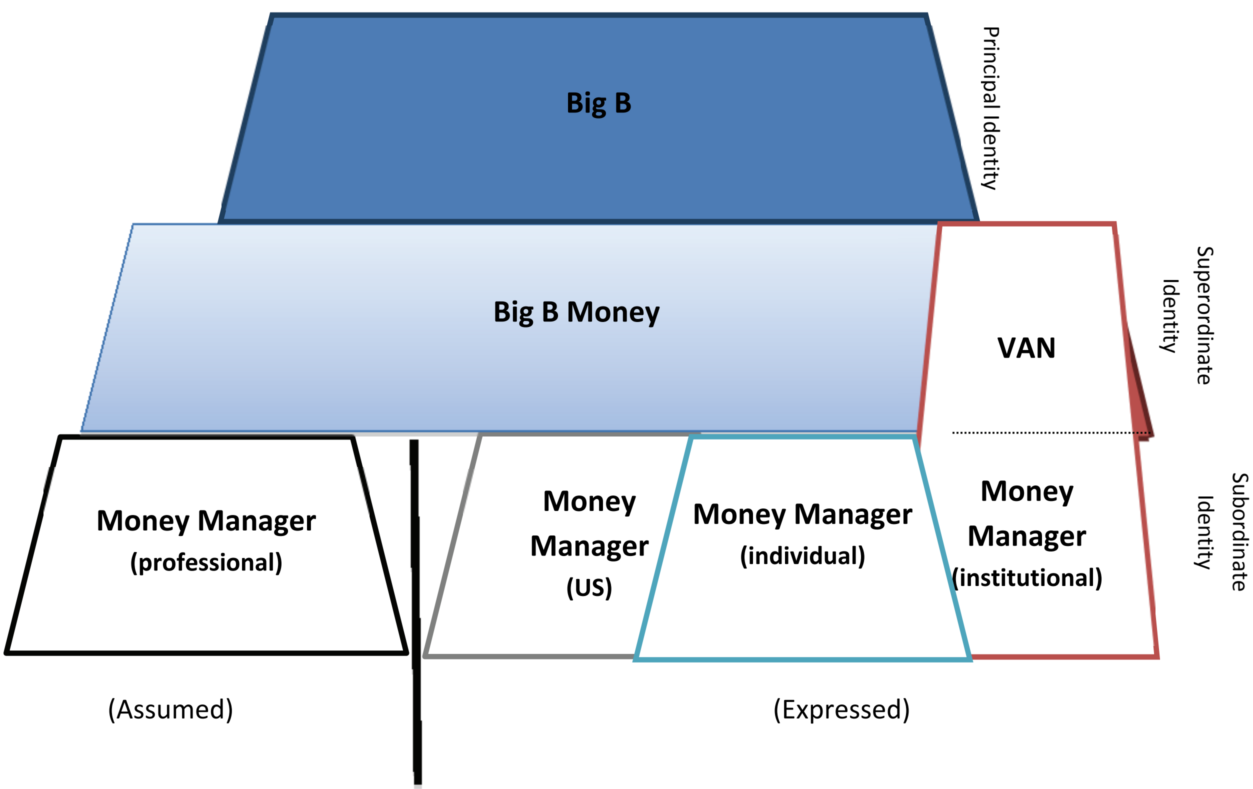
> "I'd say that I work for Big B Money and I work with individual clients. I probably wouldn't just say 'I work for Big B' because that could mean I do anything. I could be a janitor - or a Teller!" (Interview transcripts, Legacy Money employee)

Prior to conducting this research, it was assumed that all participants would have shared a common subordinate identity (money manager), however what emerged were three distinct subordinate identities (money manager, US; money manager, individual; money manager, institutional). By-and-large these roles are similar, requiring comparable education, knowledge and skills to perform and involving similar levels of status and compensation. What emerged during the interviews was that the two latter subordinate identities became a new way of distinguishing between the legacy and VAN employees, when more obvious distinctions were being socialized out.

> "We try not to talk in terms of VAN people and Legacy Money people. We're all supposed to be part of one big group now. And we try not to talk about those (location name) people either. You might hear people talk about the 'institutional team' or the 'individual team'. Everyone knows what that really means though." (Interview transcripts, MNP employee).

“We sort of struggle to get them to sort of accept that they are – we all belong to one entity and we all are owned by Big B and you know to this day – what are we, four years later now – we’re still – you know - struggling a little bit with – you know everybody viewing themselves as part of one team as opposed to two separate teams. Institutional and Individual.” (Interview transcripts, Legacy Money employee).

Figure 5.1: Illustration of Assumed and Expressed Levels of Identity



An emerging theme from the data is that three distinct subordinate identities seemed to continue to be salient. The Legacy Money and VAN employees tended to amplify the distinctions and differences in these subordinate identities after the merger, but only in reference to these two groups.

> "At the end of the day we're really just two very different groups of people. I mean, we do essentially the same job – but, I guess it's our how we service our clients that really makes us different. We didn't see that going into this merger." (Interview transcripts, Legacy Money employee).

Any subordinate distinctions that were communicated between VAN and Legacy Money and their US team, tended to focus on geographical differences only, and the distinctions were minimized rather than amplified. Similarly, MNP employees also tended to communicate their distinctive subordinate identity in terms of geography, but did not seem to amplify distinctions in these identity groups, but rather spoke in terms of similarities between the host group and their own team.

> "We're all money managers. We just have different clients. But we're all focused on the client." (Interview transcripts, MNP employee)

The VAN employees also frequently used their subordinate and superordinate identity labels interchangeably, remarking that one implied the other.

> "If I'm talking to someone from Big B Money I'd say I'm with VAN – or I'm from the institutional side. Same thing." (Interview transcripts, VAN employee)

The cross-case comparison showed that where VAN and Legacy Money employees typically identified themselves in terms of their subordinate and superordinate identities, neither of these groups of participants responded in terms of their shared principle identity (Big B). In contrast, the MNP employees frequently made positive comments about their shared principle identity.

> "I say I'm with Big B Money. I'm Big B Money – US team. I'm happy to tell them [clients] that we're part of Big B – especially now." (Interview transcripts, MNP employee)

The data also showed an inclination to hold onto legacy identity roots at the expense of a common superordinate or principle identity.

> I think it is historical as well you know that somebody or a company people have been potentially working for twenty years, thirty years and that's what they are always going to identify with. You see they might still be working for VAN, the brand. Well respected within the industry. Desired by people who want to invest with VAN." (Interview transcripts, VAN employee)

> "I'm looking for it but I can absolutely tell a few of them who squirm in their chair a little bit 'I'm not Big B Money- I work for VAN' – they do. It is a legal entity but I would love if that would be my ideal statement that if you heard more often than not 'I'm Big B Money. I come from VAN'." (Interview transcripts, Legacy Money employee)

Evaluating the Propositions

Proposition 4 proposed that the stronger the similarity between the subordinate identities of the host and acquired workers, the fewer resistance responses would be observed and reported. The merger which formed the collective superordinate Big B Money actually involved three subordinate identity groups, as illustrated in Figure 5.1 (Illustration of Assumed and Expressed Levels of Identity) above, and not one common subordinate 'professional' identity. As a result there emerged a three-fold specification for this proposition, which make propositions 5 & 6 subject to reworking.

The data suggested that proposition 4 was true for the MNP acquisition, but not for the VAN acquisition. With the latter acquisition, the data suggested that there was a tendency for VAN and Legacy Money employees to highlight and amplify distinctions between the subordinate groups. This may have been an identity resistance response from both groups to over-inclusion in the principle identity, coupled with a need to bolster the superordinate's distinctiveness of VAN in order to defend against further over-inclusion in the sibling superordinate identity [Big B

Money] in which they had one foot. This will be explored in more detail in the Discussion section (see Chapter 6).

Proposition 5 proposed that strong similarity between the superordinate identities of the host and acquired companies will not mediate resistance responses if group-level identification is very high. Going into this research study, it was assumed that the superordinate identities would have been a reflection or extension of the organizational cultures in which they emerged and operated. It is not possible to fully support or refute this proposition with the data collected because an additional unexpected finding from the data was the strong dissimilarity between the organizational cultures of the host and the two acquired firms. The expressed superordinate identities were also quite dissimilar, and thus the proposed relationships between the variables did not exist as expected.

Proposition 6 proposed that misalignment between the subordinate identities of host and acquired groups would result in resistance responses from members of both groups. This proposition was based on the findings from Ashforth & Mael (1989) and Willem et al (2008) that found that the most influential identity level is often at the subordinate (profession/workgroup) level, especially in larger or complex organizations. The data do seem to support this proposition, but perhaps not for the reasons expected. What emerged from the data were some inconsistent perceptions about the alignment of subordinate identities. Prior to the merger, elite interviewees expressed the perception that the employees at all three firms had very similar subordinate identities.

> "Going into the merger it seemed like a perfect fit. At the end of the day, we're taking a bunch of money managers who all essentially do the same job, and we're combining them into one strong team. Seemed like a no-brainer." (Interview transcripts, MNP employee)

The post-merger perceptions of subordinate identity seemed to shift however, as small but discernible distinctions were made to the subordinate identities of all three groups (i.e. Money Manager; Individual, Institutional, or US). What is not clear is if perceptions of those distinctions actually existed prior to the merger, or if they arose in response to the merger. It is also not clear if these distinctions, or misalignment, led to the resistance responses that emerged, or if the distinctions were themselves a manifestation of those resistance responses; a way of legitimizing or producing cohesion resistance between the teams at the group level. This proposition is further muddied in that the perceived misalignment of subordinate identities operated among all three teams, however evidence of cohesion resistance only seemed to occur between the VAN and Legacy Money teams.

What was most interesting was that the integration experience seemed to be worse for the host employees. Most of the propositions predicted less resistance from the host, but data showed expressions and perceptions of resistance in the form of withholding social cohesion building from host and acquired. This was a serendipitous finding that will be explored in more detail in the following section.

Serendipitous Findings and Emerging Dimensions and Variables

Over-inclusion

A theme that emerged from the data was related to the awareness of, and resistance to, superordinate and principle identities. This was commonly reported by participants from VAN and from Legacy Money, but not from their MNP counterparts.

> "She said, 'I am not a part of this larger firm; I'm a part of this little firm. She didn't even know she worked for Big B Money! She was shocked! Still she said she worked for VAN and not for us.' (Interview transcripts, Legacy Money employee talking about a comment from a VAN employee).

> 'Well [people say] 'I don't work for the [financial institution]. I work for Big B Insurance' or 'I work for Big B capital markets' or 'I work for commercial markets'. No-one works for 'the' [financial institution] – they all figure themselves as working in one of these different businesses within Big B.' (Interview transcripts, Legacy Money employee)

> "Our people I think got excited about the fact that we had the strength of Big B behind us (Interview transcripts, MNP employee)."

> "We didn't have a problem changing our name to Big B Money. We know where we came from - that's our roots. Now we've got Big B in our name – and with the financial crisis, you know, ….Big B - it's just a good thing;' (Interview transcripts, MNP employee)

> "Big B really wasn't figured into it that much even though it was Big B who was buying us, it was really all about Legacy Money which is not a [financial institution] so they were described as being very similar to us: similar in size, similar in the number of people. From initial discussions with them the people there they don't like [financial institutions] as much as we don't like [them] (chuckle) so it was fine." (Interview transcripts, VAN employee)

Several of the comments reflected a reluctance to be assembled under the collective identity group. The VAN employees often communicated this fear of over-inclusion as an expression of the clients' perceptions.

> "..because we had clients leave as a result of this because of the fact that we've been bought by a [financial institution] because they just thought, 'Oh my god it's going to be glacial movement. Everything is going to end up being bankified (10:09),' and they didn't use that in a good way; it was like we're gonna have watered down everything for lack of a better word so there was quite a reaction from a lot of clients that way. So we kept our name so clients would know we weren't a [financial institution] now." (Interview transcripts, VAN employee)

> "Their clients are still VAN and their card says VAN and all their letterheads say VAN and so when they go and sit with [a client] the discussion might still be 'Don't worry the bank has not told us how to [do our jobs]'. (Interview transcripts, Legacy Money employee)

> "Yeah I would definitely say we've encountered that in the past few years and you know, the VAN people – they don't want to embrace the Big B name and logo because they don't wanna be owned by a [financial institution] – that's kind of a complaint that we've heard from – they like being independent and they like being – you know shareholders in their own business and now they're just employees at a [financial institution]-owned firm and they're having trouble accepting the fact that they're not – no longer masters of their destiny" (Interview transcripts, Legacy Money employee)

> "When people think of a [financial institution] they think bureaucracy; they think red tape; they think conservative; they think '18 people around a table trying to make a decision, and like a year later, they're still deciding'. We didn't want to take that

> [identity] on. We're different because we strive to be the opposite of all of that." (Interview transcripts, VAN employee)

Status & Dominance Confusion

The propositions that guided this research study had predicted that strength, salience, and continuity of identity would be important constructs that influence knowledge workers' experiences with a merger or acquisition. What was unexpected was the influence that status and dominance had on perceptions of strength, salience, and continuity of identity. This is likely due to the fact that the expected and actual perceptions of status and dominance were so misaligned. What emerged from the data was that the perceptions of status and dominance were counterintuitive. Despite Big B's massive size and might, its in-house boutique (Legacy Money) was actually the same relative size as the two acquired firms, and Big B's dominance didn't cascade down to give force to its voice in decisions of integration.

> "It was clearly a merger even though Big B is big and on the street it was Big B that bought VAN. I think it is absolutely a merger" (Interview transcripts, Legacy Money employee)

MNP suffered a distinct absence of either dominance or status, as perceived by interviewees from the other two firms.

> "MNP is just a small shop. Never even heard of it before the acquisition. It might be well-known in its own region, but here, and in global markets, that name means nothing." (Interview transcripts, VAN employee)

> "MNP I don't think we can even compare because it was so small it was just more absorption than it was anything." (Interview transcripts, Legacy Money employee)

> "-because they're (MNP) such a small shop, they are eager for us to help them in any way that we can. So they wanna learn from us, they wanna learn best practices; they want us to sort of look at what they're doing and let them know how they can do things better and they're eager to accept our help on anything. So I think that's probably been a lot smoother with that business as opposed to the VAN side of the

> business – didn't think they needed our help. And no one was going to stand up to them and tell them they did." (Interview transcripts, Legacy Money employee).

In the absence of an obviously dominant firm, status seemed to carry more weight, which shifted the balance of power and influence away from the host (Legacy Money) and to its more prestigious adoptee (VAN).

> "They like VAN because it was an exotic discretionary boutique." (Interview transcripts, Legacy Money employee)

> " You know for the firm had been in business by that time for forty-four years and always talked about how it was an independent investment manager and that was what distinguished us so clearly from everyone else on the block. You know we were independent – bit of a – you know conservative but still independence was important to us." (Interview transcripts, VAN employee)

> "VAN is well-known here in Canada. They don't need us on their card here. They're 'the brand' in institutional. " (Interview Transcripts, Legacy Money employee)

> "They say we're one group and we're all the equals, but I don't have my name on a VAN card, I've just got this one - so what does that mean? (Interview transcripts, Legacy Money employee)

> "Well I think because VAN is still a brand that most people prefer themselves to stay as VAN. In [location] it has got a prestigious brand to it and is a little bit hazy where VAN starts and ends now." (Interview transcripts, VAN employee)

These status perceptions seemed to be limited to the VAN and Legacy Money employees though. The MNP participants seemed to have a more conventional perception of status that deferred to the buyer.

> "Those letters [Big B] are well known here in the US now. With all that's gone on with the financial crisis, Big B is a trusted name. We hear it all the time – Big B is the survivor. " (Interview transcripts, MNP employee)

> "Strong. Powerful. Careful. That's how it's [Big B] known here now. If you're going to be bought up by a [financial institution], this is the one you want to have knocking at your door." (Interview transcripts, MNP)

> "I'd never heard of VAN until they were bought by Big B." (Interview transcripts, MNP)

VAN's superior status was inferred through four key things; first and foremost, through the decision to assign key leadership and influence roles to the acquired firm (VAN). These perceptions again seemed limited to the VAN and Legacy Money participants, and were not shared by interviewees from MNP.

> "So when we did the merger we put a VAN person up as the head of Big B Money…and that has been a constant frustration to all the former Legacy Money people. Because he has made some questionable decisions that have – are being viewed as him supporting his former VAN people." (Interview transcripts, Legacy Money employee)

> "And I mean we all scratch our heads and try and figure out why in god's name did [name] put a VAN person at the head of the firm? So Big B buys – acquires VAN and yet one of their – the VAN people gets put up in as CEO of the combined entity – that's probably the root of a significant number of the integration problems that we've had – it never sat well with us." (Interview transcripts, Legacy Money employee)

> "Biggest surprise?…that someone from VAN was asked to run it –every merger I've ever been in, it was always the person I worked with [who ran the company] because we are the big one. (Interview transcripts, Legacy Money employee)

> "Well I think knowing that four of the six members of the board were going to be VAN-ers everybody liked that because then you knew that things weren't going to be changing. We knew that we were going to be well represented – it would be the majority. So, knowing that the ultimate company is going to be mostly VAN at a high level was comforting." (Interview transcripts, VAN employee)

> "And if you look at our executive committee – so we had a large business and we bought them and our executive committee has nine people on it …of which one is a MNP person, three are former Legacy Money, and six or five are VAN. So I don't know – that just is an interesting makeup given the who bought who kinda scenario." (Interview transcripts, Legacy Money employee)

> "I don't think anyone minded [name] being named as CEO. There were people from Legacy Money on the executive, and people from VAN, and people from here. We were all well-represented. No, he was just the right guy for the job. I don't think anyone took anything from it." (Interview transcripts, MNP employee)

Secondly, status was conferred through decisions to retain the VAN branding and name – a decision that allowed for the complete omission of Big B from its labeling. This continuity of branding and identity communicated a strong message of brand preference, as the key markers of the VAN identity were preserved while those of Big B were rejected and deleted.

> "And that was what we took out of that meeting was not only the partners were gonna be compensated, employees would be compensated and that things were pretty much going to stay the same. It was just a matter of a financial transaction between the [financial institution] and VAN – but VAN as it then was would continue." (Interview transcripts, VAN employee)

> "There was so much emphasis placed on after the announcement of the acquisition that we weren't going to change and that we weren't going to be 'bankified'. (Interview transcripts, VAN employee).

Thirdly, status perceptions were reinforced through decisions and behaviours that were interpreted as being more favorable to the VAN group. The unapologetic and ongoing practice of perceived favoritism seemed to reinforce the conclusion that this group was higher status.

> "We buy you, you take over and then you start hiring people and promoting your own – you're just perfect' (Interview transcripts, Legacy Money employee)

> "I shouldn't say this – he certainly favors the people on that side of the business still to this day. He will let them have exceptions to the rules whereas it's not something he would consider on – for the people on this side of the business.
> " (Interview transcripts, Legacy Money employee).

> "I think that all the people on the Big B side – we're very – like we wanna do what's best for the firm and we wanna – you know want everybody to play nice together and we – I find that we've all bent over backwards to try and you know, do what we were told which is to – it's one entity; we're all part of one firm, we're all working together but when you sort of get kicked a dozen times by the other side of the business because they get special treatment on expenses and they get special treatment on this and they get told that they're allowed to do this and we're not allowed – you know once that happens five, six, seven, ten times you kinda get tired of being the one who's making all the sacrifices and not being sort of met halfway." (Interview transcripts, Legacy Money employee)

> "Well the guys on the former Legacy Money side of the team have – you know– we've tried really hard to have everything as one entity and treat everybody as one team and we all work for Big B but they – we find that they haven't provided the same courtesy. So the former Legacy Money side of the business is pretty frustrated with the whole thing cos we find that they're getting – you know getting away with –

> that's a harsh term but they've been given a lot of leeway that we feel is unjustified." (Interview transcripts, Legacy Money employee)

An additional result of these perceptions is the impact on trust in the decisions and direction of senior leadership, as well as trust in the fairness of processes surrounding promotion and involvement.

> "For example the leaders of some of the teams are all VAN people that he has close relationships with so sometimes the rationale behind some of those decisions has been questioned. I'm not saying that's true or not true – that's just sort of the viewpoint that people have taken." (Interview transcripts, Legacy Money employee)

> "I don't like sports analogies but when you see a manager join a new team and he knows who he would love to have back on his old team and then he has to try and figure out in a very short time who are the people he is going to keep." (Interview transcripts, Legacy Money employee)

> "And so there is always that in the back of people's minds that the new general manager (Name 33:56) knows who he loves because he has brought them with him from VAN and kind of like 'who is going to be able to squeeze out to the next level that is not part of the old team'. (Interview transcripts, Legacy Money employee)

Finally, the distribution of an acquisition bonus to all former VAN employees communicated the 'value' of this cohort to them and to their purchasers. Perhaps these created some of the perceptions of favouritism, as the VAN team had just been 'bought' for a generous fee, and were being given some room, and creative license, to demonstrate their value.

> "Here, we've just bought all this 'talent', and they're off doing their own thing. Like, how does that help us to grow as a business if we aren't all working together?" (Interview transcripts, Legacy Money employee)

The delay in the distribution of this bonus also made some Legacy Money employees question the commitment the VAN beneficiaries had to the consolidated business.

> "The perception kinda was did we just pay out a lot of money and these folks are gonna leave in a couple years when their three years were up and take their dollars and leave?" (Interview transcripts, Legacy Money employee)

The perceptions of superior status of VAN have resulted in several negative perceptual outcomes; namely dominance confusion,

> "Well we are always jokingly around here – when something comes up and we're a bit frustrated – we always joke that they seem to have forgotten who bought who. They think – you know the VAN people have always acted as if they bought us as opposed to we bought them." (Interview transcripts, Legacy Money employee)

> "So they think that they're running the show. They think that everything that they do, they do in a superior fashion to us so we always have to – the assumption is always that we will change the way we do things to their way as opposed to the other way around – like there's never any – maybe they could learn something from us; it's all the we can learn something from them."

The perceptions of favoritism seemed to have a powerful negative impact on the cohesiveness of the larger team. Some participants expressed that this not only impacted efforts to improve cohesiveness, but that it might actually fuel counterproductive behaviours or activities that would undermine integration efforts.

> "So people – they're just like, 'Whatever – you know what? If that's the way it is then fine. They don't have to follow the rules but I do. They don't have to share information, but I do. I'm not playing anymore. I'll just go back and put my head down and do my own job and not worry about those guys over there.' So we're at a breaking point where it could actually start moving the opposite direction." (Interview transcripts, Legacy Money employee)

A comparatively benign outcome of the lack of cohesion is the absence of collaboration, and the resulting impact on pace and performance this can have.

> "You know, it might take a little bit longer than it could have if we were working better together but it always gets done in the end. This is the cost of not collaborating better." (Interview transcripts, Legacy Money employee)

> "You know we always sort of joke around here and say that the VAN side of the business forgets that we acquired them as opposed to they always look at it as a merger of equals and in fact it was – you know we paid – you know a large sum of money to acquire that business and right from the beginning it's always been a bit of a struggle to get them to be accepting of the new entity. (Interview transcripts, Legacy Money employee)

> "I have seen so few – like advances toward a common culture that I don't – I really don't hold out much hope for becoming a real sort of team feeling around here." (Interview transcripts, VAN employee)

The absence of clear signals regarding acquisition roles (who was the purchaser, who was acquired), has allowed for the ongoing dispute of this seemingly unambiguous detail. Perhaps it's the avoidance of an unequivocal statement of ownership that has elevated the importance of this detail to the point where it is still being questioned several years after the transaction. The unhindered banter of 'who bought who' may further signal the superior status of VAN, as their purchaser endeavours to avoid a vulgar reminder of this detail which would seem to put the acquired 'in its place'. The result, however, is the continued sense of opposing, instead of united, teams.

> "I think it [cohesion] will be a long time coming. I guess the interesting part that we've noticed is that the – with respect under the former Legacy Money team is you get the definite impression from them that they think they bought us (chuckle). Not the bank, but them." (Interview transcripts, VAN employee)

Macro-Economic Context

An unexpected theme that emerged from the data was the powerful influence that the macro-economic context seemed to have on the integrations of the respective firms. MNP was acquired at a time when its own industry in the US was in turmoil and was attempting to placate a cautious and mistrustful client base (see Chapter 4: Macro-Economic Context). The early decision to leave MNP alone and not fold it into the Legacy Money group was likely in response to public suspicion in the US to bank-ownership. Later on, the decision to merge and rebrand MNP under the Big B Money label was in turn facilitated by macro-economic conditions that suddenly made bank-ownership very favorable; particularly ownership by Big B, who had demonstrated its strength and resilience. Where a drawn-out integration strategy like this one might have ordinarily aroused more identity resistance, the macro-economic conditions of a serious global financial crisis provided MNP employees with a better option – they could willingly adopt a strong, desirable, respected and well-known principle identity and an evolving superordinate identity. MNP employees traded up, and in doing so, were rewarded with the access, opportunities, and credibility that their new identity afforded.

Conversely, VAN was also acquired during the financial crisis, however, most interviewees from VAN did not communicate an understanding of the impetus for the merger, and thus didn't view Big B as a savior in the storm as their MNP colleagues did.

> "We didn't know we were on the block. Well why didn't we know about this; why didn't anybody tell us that the firm was in a cash situation where it needed some sort of injection of capital from someone else?' (Interview transcripts, VAN employee)

> "I thought the business was going well why are we being acquired by a big bank right now – we don't need the pockets. I thought we were surviving well." (Interview transcripts, VAN employee)

Several VAN employees communicated that they believe the merger actually slowed down the progress the company was making, rather than seeing the protection the merger afforded.

> "And a lot of those benefits that were promised – [new] initiatives, I don't think have really come to fruition." (Interview transcripts, VAN employee)

It would appear from the data that lack of awareness of VAN's vulnerability during the financial crisis meant that VAN employees didn't view the merger as an opportunity in the way that their MNP peers did; in fact some viewed it as a hindrance. The continued success of VAN's brand and business seems to support the expressed belief among some of their employees that the merger wasn't needed. Of course, the merger did occur, and so what is unknown is how VAN would have fared without its new parent. In the meantime, VAN's endurance and relative independence seems to justify any resistance to further attempts to integrate them into the Big B Money group, and to fuel the perception among some Legacy Money employees of VAN as the hands-down winner in the transaction.

> " who knows what VAN would be without our [financial institution]. So they are now a [financial institution]- owned asset manager in the most difficult financial times in history and so the story is 'Don't worry, we are in great shape, we have Big B leaving us alone'. (Interview transcripts, Legacy Money employee).

Identity Limbo

The formation of Big B Money, and the concurrent preservation of the VAN brand, exalted the legacy and history of one firm, where it endeavored to erase that of the other two. What may have been intended as an effort at unity resulted in identity limbo for the Legacy Money team, as they were left without an identifier of their 'heritage'. They were all part of Big B Money, but their roots weren't honored in the group name.

> "I think that people like to feel that they're from somewhere - and if you're allowed to send one group to just under one name to find a history and the other group isn't, I think that second group doesn't feel that they're the same level as the first one. It wasn't two groups – very strong groups being brought together, it was that – well you know there's clearly the VAN guys and then there's these other guys. So I think when you claim membership in a group, a lot of culture goes with that as well and I think that it was in preserving the VAN name we put a value to that culture and to what those people did that we didn't do for the other one. (Interview transcripts, Legacy Money employee)

The apparent impact of this was that it invalidated the Legacy Money brand, signaling that it was discardable and replaceable. Remembering the hard working, 'boutique culture' that had described this former brand, the former Legacy Money employees may have responded with identity resistance as they defended their salient superordinate identity.

> "So we change our name, but they don't change theirs. Like, what does that say about Legacy Money? Bye bye – you've got a new name now, and now you have to make it mean something." (Interview transcripts, Legacy Money employee)

MNP had neither dominance nor status on its side, and was already the adoptee who was bounced from home to home with two consecutive and consuming acquisitions in a short time period. Add to that the impetus of a tenuous macro-economic context that encouraged protection from a protective parent, and the allure of a new name and respected post-merger superordinate identity [Big B Money] to align oneself with becomes unmistakable. Similarly, but for opposite reasons, the VAN team was also well-connected to a post-merger superordinate identity. The VAN team experienced continuity of their pre-merger sub and superordinate identities, and with their retained branding and leadership, coupled with acquisition bonuses that communicated the literal value of this group, they seemed to enjoy even sounder strength, salience, and status of their superordinate identity. Their identity was a strong and enduring anchor for VAN employees.

Alternatively, Big B Money was yet to establish or evolve a strong or salient identity. Meanwhile, VAN had clearly established itself as the desirable 'in-group' that was not accepting new members, and so former Legacy Money employees may have been set adrift in identity limbo, without a salient superordinate identity to anchor themselves to.

> "The Legacy Money people needed more protection in the face of that view that [some VAN people are] comfortable with saying [they aren't] part of Big B Money – or Big B; [they] are just part of VAN. You shouldn't have to be ashamed of the fact that you have a legacy – these are great firms that we brought together and I think that we missed that last step." (Interview transcripts, Legacy Money employee)

Building Theory: Revisiting the Proposed Definition of Resistance to Cohesion

The proposed definition of resistance to social cohesion building behaviours proposes that 'the in-group members of the dominant organization or work group will endeavor to keep transitioning members from the acquired organization or workgroup on the periphery, and resist attempts at social integration, in an effort to defend against perceived dilution of identity'.

The data drawn from these two case studies support some modifications to this definition. It assumed that the acquired groups would be the non-dominant firm, and it assumed that the acquiring firm will comprise the desirable in-group. It also assumed that dominance would be conferred through the position as 'buyer', and that status, or desirable in-group would in turn be conferred through dominance. From the data, the opposite was observed, and in the absence of the traditional characteristics of dominance, dominance was conferred through status, and status conferred through continuity. Where one of the acquired groups had, and sustained, higher status and thus represented the desirable in-group, some within this group created intangible social boundaries that resisted integration of the host group and the other non-dominant group into their clique that communicated the message, "Not only do we not want to be part of your team, but you can't be part of ours." The data also showed that the forces operating around perceptions of status and dominance in a merger or acquisition can sometimes be counterintuitive.

Finally, the definition of resistance to social cohesion building behaviours is incomplete in that it doesn't clearly outline the actions or behaviours that characterize this type of resistance. The data were also inconclusive on this, with some very overt and predictable social cohesion resistance behaviours observed (i.e. the group of 'rogue elephants'), but with most behaviours very subjective and difficult to pinpoint. While most interviewees agreed that social cohesion resistance was occurring, few were able to pinpoint specific and common behaviours. It may be in the absence (of cohesion-building behaviours) rather than in the presence (of anti-social-cohesion behaviours) that we see this resistance occur. That is, it's what they didn't do. This also presents an interesting area for future research and study. These emerging themes will be explored in more depth in the Discussion chapter (Chapter 6), and will be related back to extant literature and research to see where they support, contradict, or build upon existing theories.

Chapter 6: Discussion[2]

A traditional story about an acquisition typically features conventional roles of host and guest. The host is typically the purchaser, is usually the dominant party, and as such, the guests typically graciously bend to the host's culture as a show of thanks for being retained in the company. Gradually, the guests are permitted into the existing host social groups, once they have adopted the key behaviours and social norms of the host culture. Eventually, the guests become socialized and integrated into their new family, the guest and host roles are dropped, and business carries on. What became evident early on in this research was that this merger was anything but typical. Starting with the fact, that it involved three companies – not two – and the merger was preceded by acquisitions of two of the firms, and involved two concurrent and diverse integration strategies.

…

Several interesting themes emerged from this research that relate to existing theories of identity resistance to a merger or acquisition. The study not only found evidence of the predicted cohesion resistance, but also pointed to some likely sources for this resistance; namely status and dominance confusion. From the resistance and the confusion emerged an alarming outcome for the host group, of identity limbo, which left the former Legacy Money employees wondering what had happened to 'their' company.

Knowledge Workers as a Unique Cohort

These case studies provided a unique opportunity to investigate the social responses of knowledge workers to a merger. It is commonly agreed that knowledge workers tend to be employed in firms where their valuable knowledge and experience is the core asset of the firm (Swart, 2011), and where these valued employees are afforded greater autonomy and independence in their day-to-day work. This self-possessed cohort of employees is also believed

[2] The following discussion examines the experiences as they were communicated by a small group of interviewees. Statements made and conclusions drawn reflect those experiences as they were reported, and do not necessarily the reflect an all-encompassing collective response of employees who participated in this merger. Where comments are made about the general experiences of the three different firms, the reader should infer the phrase 'some employees' if it is not explicitly stated.

to be more committed to their profession than to their firms (Kelly, et al., 2011), which suggests that where these employees may have multiple social identity groups, subordinate (i.e. group/profession) identities are likely to have more strength, centrality and salience than superordinate (i.e. organization level) identities. Some researchers, (Alvesson, M., 2000; Hogg & Terry, 2000) attribute this partially to the diminished influence of traditional identity anchors (i.e. gender, class, age), and the subsequent heightened influence of contemporary anchors such as profession. Alvesson (2001) also points to the high level of uncertainty that typically characterizes knowledge work, which leads members of this cohort to create certainty in tight and familiar workgroups. This may explain why the superordinate identity (Big B Money) wasn't eagerly embraced by two of the three firms, and why the pre-merger subordinate identities seemed to become more salient and distinct following the merger and throughout the integration process. That the Big B Money identity was more salient for the MNP group seems to run counter to this reasoning. Without a strong superordinate identity of their own, it would seem that the MNP group would have had the most to gain in terms of uncertainty reduction from a tight and inwardly focused subordinate group. This perceived paradox will be explored throughout this section.

Social identity theory has already been studied for the insights it provides into people's experiences with change and continuity. Where the adaptive benefits of social identity during periods of uncertainty have been widely studied, this research was focused on understanding the maladaptive threats of social identities when they become threatened with change, with a high-status competing identity, or with open-membership that could erase distinctiveness and exclusivity. Examples of these maladaptive threats of group identity can be found in the work of Tajfel & Turner (1986), who found that strong subordinate identities motivate members to act and behave in ways that favour the group, even when this might produce an unfavorable result for those outside the group, at the organization level.

More recent research by Willem et al (2008) found that strong identification at the subordinate level can prompt individuals to limit the transfer of knowledge to the group membership. This has important implications for a study of knowledge workers, for whom the transfer and sharing of knowledge represents the fundamental synergy and advantage of a merger. As further evidence of the potentially maladaptive influence of social identity, Willem et al (2008) found that strong group identity can make opposing mindsets more salient. This represents a powerful potential obstacle to a merger where polarized thinking can quickly derail integration efforts.

In today's contemporary, knowledge intensive workplace, multiple and fragmented identities can co-exist within a single organization, but this has been found to produce dysfunctional work environments where mistrust, disloyalty, conflict, and team-level polarity can occur (Willem et al, 2008), and did occur in the cases that comprise this study. These findings were supported by the work of Humphreys & Brown (2002), who found that knowledge workers possessing multiple and competing subordinate identities in a workplace can result in conflict and status struggles that destabilize the shared superordinate identity and counter those adaptive organization-level benefits.

All of the adaptive benefits of social identity that strengthen a workgroup can in turn reverse and become counterproductive forces that resist the productive integration of a new workgroup. It seems that when subordinate identities are strong and salient, and the members' needs for inclusion and distinctiveness (Brewer & Picket, 1999) are met, there may be no reason to embrace a superordinate identity that is comprised of the other workgroups against whom they previously defined their distinctiveness.

Group members typically work to preserve their group's distinctiveness and status (Ashforth & Mael, 1989; van Leeuwen et al, 2003), and this poses a challenge when a merger presents either new members who seek immediate integration, or a competing high status 'in-group'. The cases in this study presented both; new members (MNP and Legacy Money) to be incorporated into superordinate identity group that was not well-formed, and a competing high status 'in-group' (VAN) that defined itself in terms of characteristics and qualities that distinguished itself from the competing superordinate group (van Leeuwen et al, 2003).

The possibility that VAN employees might need to extend or switch membership may have threatened the distinctiveness and integrity of the pre-merger sub and super-ordinate identities (Hogg & Terry, 2000) for VAN employees, and led to intergroup bias, cohesion resistance, and other reactions aimed at preserving their identity (van Leeuwen, van Knippenberg, & Ellemers, 2003) and resisting over-inclusion. Intergroup bias and cohesion resistance were expressed by both Legacy Money and VAN employees through embellished distinctiveness and a-typicality aimed at communicating 'they aren't like us', and a refusal to extend the cohesion dynamics enjoyed by each pre-merger group separately, to the broader merged collective (Hogg & Terry, 2000).

Alvesson (2000) also found that among knowledge workers, there is not typically a strong worker-identity associated with roles that are perceived to be inferior or subordinate in rank. This might explain the resistance of VAN's employees to adopting the superordinate and principle cultures and subsequent identities which were characterized by layers, titles, and degrees of prestige. The structure of the acquirer contradicted VAN's flat structure and threatened to impose hierarchy where there had been none. This may have aroused intense perceptions of identity threat and identity resistance, as VAN employees considered that integration could mean a long drop from being equals to being subordinates within a deep hierarchy. This vision of their potential future may have initiated cohesion resistance from this group, as they were introduced to counterparts with titles and ranks and they looked for ways to not be assigned a 'box' on a chart.

Resistance to Cohesion-Building Behaviours

Fiol (2001) established that social identity can lead to greater resistance to change. Resistance to social cohesion building behaviours is not a form of resistance that has been previously studied. However, the importance of cohesion and sociality in well-functioning workgroups, especially in work settings characterized by ambiguity and uncertainty, has been (Alvesson M., 2000).

This research study proposed a definition of resistance to cohesion-building behaviour (cohesion resistance), whereby the in-group members of the dominant organization or work group endeavour to keep transitioning members from the acquired organization or workgroup on the periphery, and resist attempts at social integration, in an effort to defend perceived dilution of identity. Examples of cohesion resistance were reported by interviewees; however, there were two key findings from the data that relate to the definition of this phenomenon.

Firstly, the most explicit expressions of this cohesion resistance were not directed toward the acquired group, but rather toward the host group. Less tangible manifestations of cohesion resistance were also reported and occurred between both the host and acquired firms. A second noteworthy finding is that cohesion-resistance does indeed seem to be found more in the withholding behaviours (Shapiro et al, 2002) posited earlier in this paper, which describes the absence of efforts at constructive sociality, and less in the overt efforts to segregate and avoid sociality. Some of the withholding behaviours that did emerge from the data included the tendency to refer to groups by their subordinate (and distinct) roles, refusal to adopt the shared team name (made more demonstrable by blatant and unnecessary efforts to reject the name i.e. desk labels), failure to make the effort to 'get to know' new peers and to broaden the professional relationship anywhere beyond task fulfillment, the tendency to compete instead of collaborate, and deliberate and conscious efforts to isolate oneself and refrain from sociality.

Culture

Cartwright & Cooper's study (1993) evaluated merger terms as they related to 'merger success' which was not operationalized to consider or exclude resistance responses. However, the data from this thesis research do suggest that other factors may have more influence over resistance responses, such as expectations of culture symmetry and the explicit terms for integration. This proposition was interested in culture insofar as it is the context within which interpretations of organizational identity are formed (Hatch & Schultz, 1997). It seems intuitive then that if cultures have symmetry, so too would the organizational identities that are born from those cultures. This line of reasoning is consistent with the findings by Willem et al (2008) which found that it was more difficult to generate a coherent organization-wide social identity among groups who varied in aspects of culture such as values. This is also consistent with the work of van Knippenberg et al (2002) which earlier found that identity threat during a merger can be exacerbated by differences in other culture indicators such as how work gets done, leadership styles, and norms that inform how people interact. The case studies examined revealed glaring differences in the cultures of the host and acquired firms that related to several of these culture indicators.

This same study by van Knippenberg et al (2002) suggested that reactions of identity threat can be mitigated if members sense they are able to maintain more of their identity-defining culture features. In their study, this was more likely to occur with dominant members and thus perceived dominance does relate to perceptions of continuity. In the case of VAN, the relationship was inverted, with continuity conferring dominance to the acquired members.

The cultures of interest operate at the superordinate level, yet the most-influential identity level is often at the subordinate (profession/workgroup) level, especially in larger or complex organizations (Ashforth & Mael, 1989; Alvesson M. , 2001; Willem, Scarbrough, & Buelens, 2008). Thus culture symmetry may only be relevant insofar as it relates to the continuity or discontinuity of norms, customs and values that are central and salient to the dominant subordinate identities of its followers. Other features of culture may be more easily surrendered without arousing resistance.

Organizations considering or experiencing a merger are often irrationally optimistic about the symmetry between the organizational cultures of the host and acquired companies. Research has shown that differences between organizational cultures have been found to affect the outcome of a merger (Nahavandi & Malekzadeh, 1988) and have been associated with lower levels of commitment and cooperation of acquired employees (Buono, Bowditch, & Lewis, 1985). This may be due to the fact that organizational culture is pervasive (Nahavandi & Malekzadeh, 1988) – affecting so many aspects of how the day-to-day work gets done, from work habits, to decision norms, to more nuanced factors such as shared understandings that moderate the need for explicit communication or agreement. It is the differences in these conventions that can create misunderstandings and conflict between the merging companies, and research has shown that this discord may be undermining the realization of efficiencies and synergies (Weber & Camerer, 2003). At its most basic, differences in culture may simply make it difficult for members of the two merging firms to see things the same way (Weber & Camerer, 2003).

A strong theme that emerged from the data was that the subordinate identities of the VAN and Legacy Money groups maintained or increased salience, and between-group distinctions were amplified. This is consistent with research into social identity that investigated the effects of mergers on in-group bias. In one study by van Leeuwen et al (2003), researchers found that groups tend to overemphasize the distinctiveness of their groups and displayed negative attitudes towards the out-group. There may be two explanations for this, each rooted in extant literature.

Firstly, where the VAN and Big B Money superordinate cultures and identities weren't as similar as initially believed, the imposed blending of the superordinate identities, coupled with dominance confusion, may have strengthened the salience of the subordinate identities as a defence against perceived over-inclusion into higher level identity groups. Where few differences existed between the two subordinate identities, individuals embellished those differences to strengthen the team unity by heightening distinctiveness from the other group as a way of reinforcing and rationalizing the reluctance to integrate (van Leeuwen, et al, 2003). As the pre-merger identities were erased or downplayed, the 'individual' and 'institutional' subordinate identities provided a way of holding onto the heritage of the respective legacy identities without overtly resisting the new superordinate identity. This is consistent with findings by Brewer (1979) and Brewer & Pickett (1999) who found that people seek balance in their social identities, between the conflicting needs for inclusion (sameness) and distinctiveness. Research by Hogg & Terry (2000) also supports this, finding that as a response to feelings of over-inclusion in a large, amorphous superordinate group, individuals can develop fierce loyalty to distinctive subordinate groups. The attempts to dissolve superordinate group boundaries and merge everyone into one large group may have aroused feelings of identity threat and inspired these new identity groups (Hogg & Terry, 2000). What isn't clear, however, is why this response was more prevalent among VAN and Big B Money groups than among their MNP counterparts. These questions will be addressed later in this section as the dimensions of status and dominance are explored.

It had been anticipated that national cultural issues might emerge as a relevant variable in this study. However, interviewees rarely mentioned tensions arising from national cultural issues, other than to describe their surprise at how little tension did seem to surface. Perhaps this was due to the macro-economic context which appointed survival over ego-preservation in the rankings of importance. Perhaps the economic turmoil presented enough challenge and conflict that individuals were able to put aside national cultural differences and focus on 'making it work'. Perhaps it was also due to the physical proximity of the MNP and Big B Money groups, which allowed for movement between the two offices that felt more like a commute than country hop.

Research has shown that companies can still integrate well even without perfect cultural symmetry (Cartwright & Cooper, 1993). However the areas where there is misalignment need to be identified and addressed early on. In their study examining types of cultures that integrate well, Cartwright & Cooper (1993, p.60) explored the intriguing question, "Does being compatible necessarily mean being alike?" Their research considered the Harrison Typology (Harrison, 1972) which categorizes organizations into four main culture types: power, role, task/achievement and person/support. While the three firms studied in this thesis research did not conform perfectly to any of the culture types outlined in Harrison's Typology (Harrison, 1972), insights were gleaned from Cartwright & Cooper's (1993) descriptions of merger types that are characterized by the terms of the 'marriage [merger] contract'.

The merger terms were communicated to employees comprising the new Big B Money group as a collaborative merger, whereby there is some deliberate integration of the best of all three cultures into a unified emergent culture (Cartwright & Cooper, 1993). In reality, MNP's transition into the company seemed to fit more with the 'redesign merger' description, whereby the smaller acquired firm adopts the practices and culture of its dominant acquirer – dubbed the 'traditional marriage' (Cartwright & Cooper, 1993). Meanwhile, the cultural integration strategy for VAN seemed to be more of an extension merger, or 'open marriage', whereby the acquired firm's culture was accepted and permitted to endure in parallel with minimal expectations of change and integration (Cartwright & Cooper, 1993). Their study found that the success of an open –marriage is more related to having differences accepted unequivocally, and the success of a collaborative marriage is related to the successful and deliberate combination of both cultures (Cartwright & Cooper, 1993). Thus, it would seem that being 'alike' isn't the issue, however, being explicit on the terms of the 'marriage' is, as lack of consensus about the merger strategy (Cartwright & Cooper, 1993) might arouse in employees a defensive response to perceptions that the merger terms have been reneged upon. Additionally, the defensive response may be an attempt to resist the expectation (or perception) that they are required to forfeit their pre-merger culture and identity to make room for the imposed identity (Haunschild, Moreland, & Murrell, 1994)

Status and Dominance Confusion

In most mergers, one partner generally dominates the other, if only from a psychological perspective (Cartwright & Cooper, 2002). Dominance has been found to play an important role in how employees experience a merger (van Knippenberg et al, 2002). In a 2002 study, van Knippenberg et al explored the influence of dominance in pre and post-merger identification.

Their findings showed that premerger identification was positively related to identification with post-merger, or emergent identity – but only for members of the dominant party. Despite the dominance confusion that occurred in these case studies, this seems consistent with my findings. These findings were also similar to study by Terry & O'Brien (2001), who examined the role of status instead of dominance. According to these combined findings, the members of the high status or dominant group (VAN) may interpret partial or complete continuity of their pre-merger organization, and continue to view the post-merger organization as 'their' organization. Meanwhile, according to van Leeuwen et al, (2003), the non-dominant or low status members (i.e. Legacy Money, MNP) are required to adopt a new group identity (i.e. Big B Money). It should be noted that in the studies by van Knippenberg et al (1&2, 2002), one organization clearly dominated the other, whereas in the cases that comprise this thesis research, there was no unmistakably dominant firm. Indeed, even some VAN employees reported the strong sense that they were dominated by their new parent as their books and processes were laid open for examination, and the VAN members were assigned unwelcome labels and position levels. Thus, the dominance confusion was not limited to the Legacy Money team – it was experienced by some members from each of the three groups.

Two concurrent and distinct integration strategies were pursued during the merger of VAN, MNP, and Legacy Money into the new Big B Money. MNP and Legacy Money surrendered their respective brands and adopted the new Big B Money name. VAN, however, was permitted to retain its name and branding in full, but on Big B's org chart of business units, it would be situated within the Big B Money box. This alone may have produced dominance confusion and cohesion resistance from the former Legacy Money employees for three key reasons. Firstly, the decision to retain VAN's branding and erase Legacy Money's communicated a powerful statement about VAN's superior status, and Legacy Money's demoted status, as these status rankings could be inferred from that fact that one brand was worth keeping, while the other was replaceable. Additionally, it communicated a strong, if unintentional message about dominance, as the host now submitted to a change in name, but the acquired was exempted.

Secondly, as a higher status group, individuals from the VAN team displayed pride in their membership (Ellemers, Kortekaas, & Ouwerkerk, 1999), and worked to maintain their membership in the group, to reinforce the group's high status (Terry & O'Brien, 2001), and to preserve the impermeable boundaries of the group(Hogg & Terry, 2000). These have been found to be common and natural responses of high status members, however these actions, viewed through the eyes of some Legacy Money employees, signalled rejection, segregation, and resistance to efforts to build cohesion.

Thirdly, the choice to retain VAN's branding provided VAN employees with the comfort of continuity. Rousseau (1998) found that it isn't change per se that arouses perceptions of identity threat; rather, it is the sense that it is no longer the same organization – their organization. Rousseau (1998) referred to this as a 'sense of continuity' which is essential to maintain identity.

Conversely, the required integration of Legacy Money into Big B Money dashed the sense of continuity for their members. This may have been especially galling to Legacy Money employees to feel that they were required to adopt a new group (Hogan & Overmyer-Day, 1994; Rousseau, 1998), where the acquired group was excused. In Rousseau's work (1998), it was found that continuity is usually related to dominance in a merger which could have produced a resentful response among Legacy Money employees at being shifted to a dominated position. Or perhaps this reveals why some of the Legacy Money employees and the VAN employees never saw Big B Money as 'their' organization', because there was no truly dominant firm from which this emergent group arose (van Knippenberg, 2002).

Dominance confusion was also produced through the appointment of the VAN CEO to the leadership role for Big B Money. Leadership is a common signal of dominance, as is the role of purchaser, but employees were confused by the decision to buy VAN, and then virtually turn it back over to its CEO and Executive to run it. This seemed to send a powerful and confusing statement about VAN's dominance and status.

In a 2001 study by Terry & O'Brien that looked at how status perceptions informed responses to a merger, it was found that the most negative responses were experienced by individuals from low status groups. Additionally, these individuals displayed less identification with the new common identity. The results in this study varied from Terry & O'Brien (2001) in that the lowest status group of all (MNP) actually identified most with the new common identity. This may be due to the fact that MNP employees viewed the merger as an opportunity to make the favourable shift to a higher status identity group (Terry & O'Brien, 2001). Meanwhile the group with conferred high status (VAN) seemed to identify least with the common identity. This may be due to a variety of factors, including the low salience of the Big B Money identity, the strong salience of the VAN identity, and the absence of a need or requirement to adopt the common identity.

The case of VAN was further convoluted by the fact that its employees were not only permitted to retain their subordinate identities, but also their shared superordinate identity, all the while espousing the shared superordinate, Big B Money. This communicated a powerful message of status and dominance. It seemed that despite the undisputable dominance of Big B among its industry competitors, that dominance was not shared at the business unit level by its own in-house boutique (Legacy Money). Without dominance influencing the merger terms, Legacy Money wasn't able to enjoy the influence that is usually conferred to the purchaser. In fact, Legacy Money employees found themselves welcoming a higher status guest who quickly usurped their host roles.

Levels of Identity: Over-Inclusion

Extant literature has shown that individuals are motivated to claim membership in a group that satisfies their needs for inclusiveness and uniqesness (Brewer M. , 1991) That is, they want to feel that they belong, but that distinctive qualities about that group preclude the extension of that membership to all but a select few. VAN's identity already provided for these two needs, and the merger introduced new superordinate and principle identities that contrasted, that were characterized by homogeneity, and that permitted open-membership thus, dissolving the prestige of exclusivity and distinctiveness.

Legacy Money and VAN employees each operated within their respective secure and salient superordinate identities which provided the adaptive social benefits of meaningful group membership (Hinds & Mortensen, 2005), such as uncertainty reduction and self-enhancement (Hogg & Terry, 2000) in response to the merger-imposed ambiguity and stress (Terry & Callan, 1998). In a cyclical fashion, this nurturing and calming feature of group membership may have in-turn made the subordinate identity all the more salient (Terry et al, 1998).

VAN employees enjoyed a strong sense of distinctiveness and team unity, and the stresses of disruption to their context, initiated by the merger, likely resulted in an increase in group identification (Ethier & Deaux, 1994). This may have created an integration challenge for two reasons. First, subordinate identities are believed to be stronger than superordinate identities, especially in knowledge intensive organizations (Ashforth & Mael, 1989; Alvesson M. , 2001; Willem et al, 2008), and hightened subordinate level identitification is likely to lead to identity resistance (Bouchikhi & Kimberly, 1996; Gioia, 1998). Second, research has found that while a range of superordinate and subordinate identities can co-exist (Willem et al, 2008), one will be dominant (Willem et al, 2008), and if it's the subordinate identity that is dominant, this will undermine efforts to merge identities into a collective superordinate.

The VAN case also provided evidence that suggested that the VAN subordinate and superordinate identities were fusing together, with one becoming synonymous with the other. This may be further evidence of resistance to the superordinate identity, or may have been a response that bolstered the subordinate identity that was vulnerable due to its similarity to the other two work groups, declaring it different by virtue of the same characteristics that defined the VAN organization.

It may also have been an outcome of the unintentional over-validation of VAN's superordinate identity which elevated its status to that of the 'desirable in-group'. The key challenge with this was that in doing so, VAN became the favoured identity, even though Big B Money was being touted as the group's common identity. Where VAN's identity had so much value implicitly and explicitly assigned to it, Big B Money had almost none. It was a new and invented identity that had yet to establish meaning and salience. Big B, the principle identity, was well-known, but amorphous and overly accessible, and thus the VAN and the Legacy Money groups each expressed some resistance to over-inclusion in this imposed identity, and busied themselves with activities and behaviours that reinforced the distinctiveness and integrity of their respective subordinate groups (Hogg & Terry, 2000).

The VAN case was consistent with the findings by Terry & Callan (1998) and Terry & O'Brien (2001), who found that this led to in-group bias, and rejection of the imposed superordinate identity. It wasn't so much that some VAN employees rejected the Big B Money identity, as it was that they *openly* rejected it in favour of their institutional subordinate and VAN superordinate identities. Rather than being censured for their resistance, their rejection was endorsed and validated at the highest levels. These findings seemed to contradict the work of van Leeuwen et al (2002) which found that individuals more readily adopted a common superordinate identity when expression of a distinctive subordinate identity was condoned. This may be due to the tendency of VAN employees to merge their sub and superordinate identities, which left no room or need at the superordinate level for the common shared identity.

The MNP group, conversely, had lost its common superordinate identity, and Big B Money presented an option that seemed to possess most of the desirable features and attributes that MNP employees now found alluring. This is consistent with Fiol's (2002) findings that suggested that lower, rather than higher, levels of identification are most constructive for reducing resistance.

People typically strive to be part of a group that has optimal distinctiveness (Ethier & Deaux, 1994). In this case, the valued in-group (VAN) presented that optimal distinctiveness, but was not an identity group that was accessible to most employees. The others couldn't be part of it, and they couldn't express a desire to be part of it. This left the Legacy Money group in identity limbo, with an in-group that was out of reach, and an imposed superordinate identity that was relatively meaningless and that had already been rejected by the in-group. Perhaps this is why the post-merger subordinate identities became more pronounced, as it was a way to retain some of the social benefits and sense of belonging for this group, and it was a renamed artefact of the highly salient Legacy Money identity that had been erased.

What about MNP? In contrast, MNP seemed to have lower subordinate and superordinate identification which may have been due to the successive acquisitions, followed by a long period of limbo when they were the 'adopted child' - owned but not bearing the family name. This, coupled with the context of the unfavorable macro-economic conditions, had elevated Big B's principle identity such that it was respected and coveted by MNP employees. The merger was a chance to trade up to a stronger global brand, while not actually having to change much of what they did. For the MNP group, the benefits were clear, and their lack of awareness of the VAN brand meant that it didn't have the same perceived value and status that it did for their counterparts. Thus, the two superordinate groups could co-exist without it devaluing the salience of Big B Money for the MNP group.

There was a strong theme in the data of VAN employees continuing to operate as before, and resisting efforts to bring their operations more in line with the rest of the group. This may be an example of resistance to the merger, or an outcome of that resistance. Alvesson (2000) found that too much emphasis at the local team level may disengage that group from the larger team to which they belong legally, if not socially. "A tightly coupled group may follow its own path without feeling betrayal towards the employer. The group forms a 'we' and the rest of the company may be represented as 'them'" (Alvesson M., 2000, p.1110). This behaviour also fed perceptions of favouritism which further eroded cohesion amongst the teams.

Perceptions of favouritism towards the VAN team emerged as a strong theme from the data. There was shared perception that leadership favoured this team, and made decisions that benefitted them, or that excluded them from requirements that were mandatory for the rest of the Big B Money employees. Perceptions of favouritism seemed to arise from VAN's elevated status and implied dominance in the merger process which were conferred through the appointment of the VAN leader to the role of CEO of Big B Money, as well as the maintenance of the VAN brand. The acquisition bonus that was paid to all VAN employees (but only VAN employees), also seemed to signal the status of that group, as none of the other groups benefited so directly and so unmistakably from the merger. This likely tightened the group identity bond amongst that group as well, as they entered Big B Money shrouded in a strong shareholder brotherhood.

The three-year bonus that was withheld might have created a 'courtship period' where those employees were indeed treated more favourably in the hopes that once those handcuffs were removed, they wouldn't depart. At the same time, this may have aroused resentment from their Legacy Money and MNP counterparts who felt undervalued and uncompensated for the expertise and talent that they too contributed to the greater team. Cohesion would be very difficult to cultivate in the face of this divisive dynamic.

Sources of Identity Resistance

Research by Dutton & Dukerich (1991) explored identity as a source of resistance to change when that change pursues an identity that is inconsistent with the current identity. Building on this research Fox-Wolfgramm et al (1998) built the theory of identity resistance, a theory that was further supported by Elsebach & Kramer (1996) who found that individuals are motivated to engage in activities aimed at preserving identity when that identity is threatened.

A study by van Knippenberg & van Schie (2000) found that people tend to prefer to identify with smaller groups with sufficient level of distinctiveness. The merger threatened to strip VAN of both its small size and its distinctiveness as the group was added to the Big B Money masses, and the even more immense Big B collective. VAN employees may have perceived disadvantages in terms of loss of distinctiveness and the status it afforded, and in terms of more layers that made them sluggish and made the expertise difficult to access and leverage. What's interesting is that some of these very features that some VAN employees found objectionable (i.e. layers of expertise) were the same that were celebrated by Big B as the advantages of the merger. Additionally, similar to findings by Cartwright & Cooper (1993), several interviewees reported that they had joined VAN to escape the bureaucracy and control that characterized membership in a big firm.

Identity threat was communicated by the VAN group as a fear that their entrepreneurial branding would become diluted and thus, they pursued a concurrent strategy that permitted VAN to retain its branding. This concurrent strategy may have been the undoing to the integration efforts as it presented conflicting merger terms, and signalled to Legacy Money employees that their hard-earned brand wasn't high status enough to be taken on by VAN employees, or to even keep in part after the merger.

Conclusion

Why are cohesion resistance and identity limbo maladaptive and counterproductive to a merger? One reason may be that group cohesion and social identity produce trust in others and in their expertise, their knowledge (Willem et al, 2008) and their intentions. Without trust it becomes difficult to realize true synergy, energy, pace, and efficiency that can come from the union of newcomers into a cohesive group. This negative outcome of cohesion resistance was widely reported by participants in this study.

Additionally, higher levels of organizational identification have been found to be associated with higher likelihood that employees will take the organization's perspective, and choose to act in the organization's best interest (Ashforth & Mael, 1989). This represents a powerful advantage to organizations working through a merger, as a key objective of any integration strategy would include the collective focus on a shared goal. Where lack of cohesion occurs, and groups continue to operate within their respective and possibly competing identities, work efforts may be scattered or polarized instead of concentrated on a shared outcome. Unfortunately, a retrospective look at mergers in our contemporary workplaces reveal that numerous mergers have failed because of continued 'us' versus 'them' dynamics. Numerous studies support the assertion that this regretable dynamic will endure if previous competing identities aren't exchanged for a common one (Blake & Mouton, 1985; Haunschild, Moreland, & Murrell, 1994; Hogg & Terry, 2000).

The cases that comprised this thesis study were complex and multi-layered, and yielded vast amounts of rich data. By and large, the propositions that were formed going into the study were validated to some extent. Perhaps even more importantly, the data produced several interesting serendipitous findings that helped to shape an evolving theory of resistance in the form of withholding cohesion building behaviours. Among the key themes that emerged were status and dominance confusion, fears of over-inclusion, and identity limbo.

The cohesion resistance that was explored in this study found that while there were some, but few, behaviours and activities that seemed intended to actively undo, sabotage, or resist cohesion (i.e. the rogue elephants), that cohesion resistance is found more in the activities and behaviours that don't occur. For examples of what cohesion-building behaviours *are*, we could likely look to VAN's team, as they operated as a uniquely, and exclusively, cohesive team. This in itself could be an interesting area for future study. What *didn't* occur between the teams were the social behaviours that allow people to gain familiarity with one another at a deeper level than the purely functional (task related). Without active efforts to socialize, informally, not just formally, the relationships were limited to task-related interactions, and thus were secured with only shallow anchors.

Operationally, the mergers were reported to be a success. However the continued challenges with social integration and social cohesion present practical issues that challenge the efficiency and effectiveness of not just the integration, but of the work being done. Mitigating this resistance may have accellerated the transition period, or born out the expectations of synergy. Instead, there continues to be skepticism, lack of trust, and lack of collaboration, and even though these negative residual responses to the merger may not be shared by all, history has shown us that even small pockets of resistance can impact the effectiveness of ongoing transition efforts, and ultimately impact the pace and efficiency of business.

Chapter 7: Conclusion & Recommendations

This thesis research study was inspired by a series of high level curiousities regarding the social resistance responses of knowledge workers to a merger or acquisition. These curiosities emerged from non-related consulting with similar workgroups and firms undergoing an M&A transaction. During the consulting work, two things became apparent; the pre-work of evaluating the proposed transaction, and the accompanying operational integration strategy were typically crafted with intense attention to detail and rigour. What was typically missing however was a deep understanding or prediction for how the transactions would be experienced by the employees. Despite the advantages that were so obvious and compelling to the executives and senior management, there was often an intangible friction amongst the merged employees that seemed to be unresponsive to the best intentions of those leading the integration, to join the teams into a cohesive group. This led me to wonder if conformity to, and social cohesion with, a new post-merger group simply arouses feelings of disloyalty to the current pre-merger subgroup? Does the requirement to 'give up' the comfort and socially adaptive benefits of a familiar team identity arouse a natural and protective resistance response that manifests as reluctance to extend outside of each in-group, the social behaviours and advances that, within each group, nurtured that sense of 'my team'?

Previous research has focused on dis-continuity (Rousseau, 1998) and uncertainty (Hogg & Terry, 2000) as sources of this identity-related resistance. According to Hogg & Terry, "mergers and takeovers often produce enormous uncertainty, which can instantiate precisely the conditions that work against a successful merger.. to reduce self- conceptual uncertainty, merger partners resist change and may polarize and consolidate interorganizational attitudes around narrowly prescriptive norms and fierce pre-merger organizational identification" (2000, p. 134). But, when the merger involves knowledge workers, whose work is largely characterized by ambiguity, is it uncertainty that arouses social resistance? Or, is the source of resistance rooted in the defense of the intense subordinate identities that knowledge workers adopt in response to their ambiguous work?

To gain insight into these curiousities, three key research questions guided this research. The first question asked; *Does continuity in subordinate (professional and workgroup) identities, that transition relatively seamlessly from acquired to host organizations, offer the same adaptive or insulating effect against identity threat as superordinate identification?* The data from this study suggested that in fact the unchallenged and continuous subordinate identities did offer the same adaptive effects against identity threat. What emerged from the research was that, counter to some previous research in insulating the groups from the threat of an imposed, common superordinate identity, those subordinate identities embellished their distinctiveness from one-another. And for some members this seemed to endorse the rejection of common superordinate and principle identities.

Thus, the data seemed to affirm the second question, which wondered if, *despite the relative consistency between the subgroup identities, does the involuntary introduction of new members into a work team still arouse perceptions of identity threat and provoke the associated efforts to resist assimilation?* This again harkens back to the initial curiosity regarding the influence of a sense of loyalty to the pre-merger subgroup. This presents an interesting construct for future research.

Finally, the third research question asked, *When resistance to assimilation does occur, does it manifest as withholding cohesion-building behaviours?* The data in this study confirmed the expression of withholding cohesion-building behaviours that included a range of social behaviours that were significant in their absence. The data also found evidence of cohesion-defeating behaviours that were distinct in that they reflected deliberate and conscious efforts to reject norms or symbols of the common identity, or to reject the sociality norms through segregation and the literal refusal to socialize. There is an opportunity for future research to explore in more detail what these withholding cohesion-building behaviours include, and what arouses the expression of these behaviours. Additionally, there is an opportunity for future research to investigate whether the social resistance response is unique to knowledge workers, or is common to other workers involved in an M&A.

Limitations of the Research

There were three key and interrelated shortcomings with this research study. A hallmark of case study methodology is the use of multiple data sources (Yin, 2008).   This research studied examined data from only two primary sources; interviews and observational data collected during the interviews. This presents a second key limitation to the research in the reliance on self-reporting. Case study methodology is very interested in a holistic understanding of the combined subjective experiences of the agents involved, and the context that surrounded those experiences. To bolster the reliability of the conclusions drawn from the data, however, these subjective experiences also need to be balanced with some objective and verifiable data. This type of data was largely unavailable to the researcher, due to the privacy restrictions of the firms. However, objectivity and validity were sought through balancing the reports from executives who were involved in guiding the transactions at the highest levels, with those of the employees who submitted to the integrations.

A third potential limitation of this research is in the replication logic and representativeness of the findings. This research involved two related case studies which limits generalizability to broader populations. However, the intention of this study was not statistical generalization (i.e. generalization to the larger universe), but rather analytical generalization, or transfer to theory (Yin, 2008). In this study, there were numerous serendipitous findings, some of which aligned well with existing theory, and some of which contrasted. This may be accounted for by some unique variables that had powerful influence in these merger experiences, such as the macro-economic conditions and the occurrence of two concurrent and conflicting integration strategies. Thus, replication logic may be achievable in future research involving companies in similar contexts, and with more similar integration strategies.

Contribution to the Literature

This thesis research contributes important ideas to the M&A literature about how knowledge workers experience a merger. Where our contemporary market is characterized by M&A activity involving 'knowledge intensive organizations' (Alvesson M. , 2000), a better understanding of the points of friction that are common to this essential cohort could help mitigate resistance responses and facilitate a swifter and more inclusive integration result, and yield those elusive synergistic competitive advantages.

This research evolves theories of identity work proposed by several disciplines, by focusing on the cohesion-building benefits of group identity, and the repercussions of the intention absence of cohesion. This research also builds on current thinking on resistance, and on withholding behaviours in the workplace, by introducing social-cohesion resistance, linked to social identity theory and to withholding-effort. This presents an interesting theory for additional future study, as research findings that support the construct of social-cohesion resistance could inform future M&A integration strategies. These findings could prove invaluable in supporting our understanding of how to expedite productive assimilation of firms' most valuable assets; their people, and the substantial knowledge, experience and energy that they hope to harvest. These findings could also support the formation of more unified and cohesive groups, which have a positive influence on performance (Castanias & Helfat, 1991).

Recommendations

Four key recommendations emerge from the findings of this study that are relevant for the firms involved in this research, and may have broader applicability to other firms considering a merger. First, firms should ensure that the expressed merger terms are aligned with the enacted merger strategy. Secondly, it is recommended that where two mergers occur simultaneously and with a common landing point, that a common strategy govern both. In the cases involved, the formation of Big B Money was espoused as a collaborative merger, however upon investigation, it was clear that one firm (MNP) was absorbed in a redesign merger, while

VAN was held at arms-length in an extension merger. Meanwhile the Legacy Money members were assigned the daunting task of creating a collaborative culture from these misaligned and contradictory beginnings. The conferred VAN status that emerged from this may have been enough to arouse irritation on the part of the Legacy Money team, and a sense of superiority or of being exempt from the requirements of the new Big B Money that would have unraveled any initial intentions towards group cohesion.

A third key recommendation that is related to the previous recommendations concerning nomenclature. The decision to retain the VAN name was supported with several good reasons (i.e. strong branding, client recognition and confidence). However, the fallout in terms of perceived favouritism, status and dominance confusion, and rejection of the common superordinate present equally sound reasons to abandon the name. If VAN wase truly an extension merger, and there was no expectation of even partial integration at the business and organization level, then retaining the name would not likely present a challenge. However, where there is even partial integration, the existence of a concurrent but seemingly privileged and exclusive acquired name creates confusion and undermines the legitimacy and value of the shared collective (i.e. Big B Money). The disadvantage for any company in dropping a well-known brand during a merger or acquisition is that the purchaser is less-able to capitalize on the strong brand and good will of the acquired company. Conversely, allowing an acquired firm to retain its name but operate independently means that the purchaser isn't able to leverage the rich synergies of combined best practices that enrich the formula so that one plus one can equal three.

A fourth recommendation regards the decision to retain the CEO of the acquired firm. The rationale behind this decision was sound; this CEO had the experience, expertise, judgement, and interpersonal skills that made him an obvious choice for the focal leadership role of the new company. Unfortunately, the resulting perceptions of favoritism, allegiance to his former company, lack of objectivity, and conferred status seemed to weaken some of the expected benefits of this leadership. Perhaps this could have been avoided with the appointment of a new CEO who has no particular allegiance to any one of the groups, but who presents a new face and central identity for the new, collective, Big B Money.

The cases studied in this research described the culture collisions (Cartwright & Cooper, 1993) and identity collisions that can occur as merged groups work and more often struggle to come to terms with the reality of a new identity and new membership. Add to this the intriguing dynamics of competing and enduring subordinate identities and cultures, and implicit expressions of supremacy, dominance and preference, and the vision of a cohesive and well-functioning common group becomes blurred and intangible. It is hoped that the findings and recommendations drawn from this research study can support the focal firms, and other firms going forward, in crafting well-considered and well-executed social integration strategies that are aligned with the expectations of involved members, and that will produce a coveted three-from-two outcome.

Appendix A: Letter of Introduction (Elite Interviews)

To the Executive team,

Hi everyone. Below is an email from Sherry Scully who will be conducting research within the GAM team over the next 3-6 months, studying how knowledge workers adapt to a merger or acquisition. As part of her research, she will be conducting elite interviews with members of the executive and senior management.

While this study is voluntary I do strongly encourage you to participate – and that your participation be completely candid and honest, as this will benefit us the most by helping us to learn what we can do to help our group adapt and perform the best throughout a merger or acquisition process. Your participation will be anonymous and confidential, and going forward, any further communication regarding this study will be conducted directly with Sherry, and all data will be stored and analysed external to our organization. If you are receiving this email, then we believe you have the experience and unique vantage point to provide a rich perspective and insights into this topic.

The email below is from Sherry Scully and outlines your involvement in the study, should you choose to participate. It also provides you with Sherry's email so that you can communicate directly with her to set up interview times and receive any other details.

Thanks in advance for your participation.
John X

Research Study: Investigating the Experiences of Knowledge Workers to a Merger or Acquisition

I am a doctoral candidate at Dalhousie University's Interdisciplinary PhD program. I am conducting doctoral thesis research study examining the experiences of knowledge workers (professionals) to a merger or acquisition. As an executive or senior manager of the organization, who has recently experienced and participated in a merger/acquisition, your name has been given to me as an ideal candidate for an elite interview.

I prefer to conduct elite interviews in person, and plan to be in Toronto from Wednesday, April 25th -27th, and in Vancouver from April 30th- May 1st.   I will work around your schedules and ask that you send me a booking where it fits in your timetable (mornings and evenings will work as well). Below you will find the details of the study as well as my contacts.

Should you choose to participate in the study;

- You will be invited to a private and confidential 60 minute interview, either in person (at an offsite location that is convenient for you) or via Skype or telephone with the principal investigator, Sherry Scully. At this interview you will be asked to share your experience and reactions to the merger/acquisition.

- The principal investigator <u>may</u> invite you to a second interview of no more than 30 minutes at a later date, should she wish to follow-up on or clarify any data, or to give participants an opportunity to review transcripts of the interview. Permission has been given for you to participate in interviews during regular work hours, or at another time that is convenient for you. You will not be required to do any preparation for the interview.

- You will also be sent (via email) an on-line survey questionnaire which should take you 15-20 minutes to complete.

- Finally, the PI may be present at some meetings or town hall gatherings to conduct observational research.

I can assure you that your participation in this study will be purely voluntary, and that you maintain the right to withdraw from the study at any time without repercussions.

At the end of the study, an executive summary of the research findings will be shared with you. This summary will include implications, insights and recommendations that may prove helpful to you and your peers as you participate in future mergers/acquisitions.

If you are interested in being part of this research study, please email me directly at XXX (email address removed).

Thanks in advance for your support with this important research.

Warmest regards,

Sherry Scully
Halifax, NS

Appendix B: Letter of Introduction (Knowledge Workers)

(Message from XXX - CEO)

We are asking for your help by participating in an important study to help us learn more about how well we, as an organization, adapt to the change and stress of a merger or acquisition. Many of your senior managers and executive team have already participated in this study, or are planning to participate. If you are receiving this email, then we believe you may have the experience or a perspective that could provide some insights into this topic.

The study is being conducted by an external party, Sherry Scully, as part of her doctoral thesis research. In her accountability to the University and the Ethics Review Board, Sherry has insisted that this research be anonymous and voluntary, and so if you choose to participate, you will only be communicating with her. We will all receive a copy of the final report, but you can feel confident that your individual responses will never be shared with anyone from our organization.

In order for us to benefit from this study, it is important that all participants be as candid and honest as possible. We strongly encourage you to participate. The email below is from Sherry Scully and outlines your involvement in the study, should you choose to participate. It also provides you with Sherry's email so that you can communicate directly with her to set up interview times and receive any other details.

Thanks in advance for your participation.
John X

<u>Research Study: Investigating the Experiences of Knowledge Workers to a Merger or Acquisition</u>

I am a doctoral candidate at Dalhousie University's Interdisciplinary PhD program. I am conducting doctoral thesis research study examining the experiences of knowledge workers (professionals) to a merger or acquisition. As a member of your organization who has recently experienced and participated in a merger/acquisition, your name has been given to me by your senior managers as a potential participant in this study. Permission has been granted by your executive for me to invite you and 100 of your peers to participate in the study, though there is no requirement that you do participate, and your direct manager and executive will NOT be made aware of your choice to participate or decline. Your direct manager and your executive may also be participating in the study.

Should you choose to participate in the study;

- You will be invited to a private and confidential 60 minute interview, either in person (at an offsite location that is convenient for you) or via Skype or telephone with the principal investigator, Sherry Scully. At this interview you will be asked to share your experience and reactions to the merger/acquisition.
-
- The principal investigator may invite you to a second interview of no more than 30 minutes at a later date, should she wish to follow-up on or clarify any data, or to give participants an opportunity to review transcripts of the interview. Permission has been given for you to participate in interviews during regular work hours, or at another time that is convenient for you. You will not be required to do any preparation for the interview.

- You will also be sent (via email) an on-line survey questionnaire which should take you 15-20 minutes to complete.

- Finally, the PI may be present at some meetings or town hall gatherings to conduct observational research.

I can assure you that your participation in this study will be purely voluntary, and that you maintain the right to withdraw from the study at any time without repercussions.

At the end of the study, an executive summary of the research findings will be shared with you. This summary will include implications, insights and recommendations that may prove helpful to you and your peers as you participate in future mergers/acquisitions.

If you are interested in being part of this research study, please email me directly at XXX (email address removed).

Thanks in advance for your support with this important research.

Warmest regards,

Sherry

Appendix C: Informed Consent Form

Research Study: Investigating the Experiences of Knowledge Workers to a Merger or Acquisition

I am a doctoral candidate at Dalhousie University's Interdisciplinary PhD program. I am conducting doctoral thesis research study examining the experiences of knowledge workers (professionals) to a merger or acquisition. As a member of your organization who has recently experienced and participated in a merger/acquisition, your name has been given to me by your senior managers as a potential participant in this study. Permission has been granted by your executive for me to invite you and 16-30 of your peers to participate in the study, though there is no requirement that you do participate, and your direct manager and executive will NOT be made aware of your choice to participate or decline.

Should you choose to participate in the study, you will be invited to a private and confidential 60 minute interview, either in person (at an offsite location that is convenient for you) or via Skype or telephone with the principal investigator, Sherry Scully. At this interview you will be asked to share your experience and reactions to the merger/acquisition. The principal investigator may invite you to a second interview of no more than 30 minutes at a later date, should she wish to follow-up on or clarify any data, or to give participants an opportunity to review transcripts of the interview. Permission has been given for you to participate in interviews during regular work hours, or at another time that is convenient for you. You will not be required to do any preparation for the interview. You will also be sent (via email) an on-line survey questionnaire which should take you 15-20 minutes to complete. Your responses will be assigned a number in lieu of your name and will be stored in a password protected external database by the principal investigator (PI), and your individual survey responses will not be shared with your employer. Finally, the PI may be present at some meetings or town hall gatherings to conduct observational research. Data collected via this method will not record participant names or direct quotes. All collected data may be analyzed by the PI and by the thesis advisor (Jack Duffy), but not by any other researcher or party.

In keeping with ethics guidelines that govern all academic research in Canada, I can assure you that your participation in this study will be purely voluntary, and that you maintain the right to withdraw from the study at any time without repercussions. All responses will be transcribed and stored in a data base on the PI's laptop, which is secured by a confidential password. The final report will contain no direct quotes and no identifying descriptions or comments that can be linked back to any individual, and the data will be converged from all participants so that your responses will remain anonymous and confidential.

While measures will be taken to preserve anonymity (e.g., removing identifying quotations) a risk of identification remains given that participants will be selected from a pool of potential participants supplied by management. Thus, I acknowledge that anonymity cannot be absolutely guaranteed to participants, and if identification should occur, there are foreseeable risks to employees who participate in the study. I will make every effort to mitigate this risk to you.

At the end of the study, an executive summary of the research findings, which will include the findings from another anonymous organization, will be shared with you. This summary will include implications, insights and recommendations that may prove helpful to you and your peers as you participate in future mergers/acquisitions. The final research paper will become the property of Dalhousie University, and will not be available commercially.

Please sign the signature page (page 2) in each section below as appropriate, indicating your informed consent and interest in participating in the research study.

Research Study: Investigating the Experiences of Knowledge Workers to a Merger or Acquisition

I have read the explanation about this study. I have been given the opportunity to discuss it and my questions have been answered to my satisfaction. I hereby consent to take part in this study. However I realize that my participation is voluntary and that I am free to withdraw from the study at any time.

_________________________________ _________________________________

(participant signature) (principal investigator)

I give my permission for the researcher to audiotape our interview.

____

(participant signature)

I give my permission for the researcher to use data collected via interview, survey, or observation, in the study identified above, and to share the data only with the thesis advisor.

____

(participant signature)

If at any time you have questions or concerns, please contact the principle investigator, Sherry Scully, or her thesis advisor, Dr. Jack Duffy (see contacts below).

If you have any difficulties with, or wish to voice concern about, any aspect of your participation in this study, you may contact Catherine Connors , Director, Research Ethics, Dalhousie University at (902) 494-1462, ethics@dal.ca

Sherry Scully

Dr. Jack Duffy

Appendix D: Case Study Protocol

This case study protocol outlines the research questions that trigger the data collection, outlines procedures and rules for using the Interview Protocols (see Appendices E&F), and outlines a guide for the case study report (Yin, 2008,p.69).

Research Questions

This qualitative case study is intended to gain insights into the following research questions;

- Does continuity in subordinate identities, that transition relatively seamlessly from acquired to host organizations, offer the same adaptive or insulating effects against identity threat as superordinate identification?
- Or, despite the relative consistency between the subgroup identities, does the involuntary introduction of new members into a work team still arouse perceptions of identity threat and provoke the associated efforts to resist assimilation?
- When resistance to identity assimilation does occur, does it manifest as withholding cohesion-building behaviours?

Procedures and Rules for Using Interview Protocol

The interview protocol should be used to prompt interviewees and to guide researchers through the relevant constructs and variables. During elite interviews, the researcher may deviate from the protocol as long as he/she believes that the interviewee is providing data that is relevant to the research, even if it may seem to stray into unexpected areas. The researcher is encouraged to 'dig' into any serendipitous findings that are communicated during an interview, assuming this unexpected data is providing insights into the research questions outlined above..

Appendix E: Field Procedures and Interview Protocol

The document outlines the questions that were asked in the field of interviewees (Yin, 2008), and should be followed in any replicating research to ensure consistency in the data collection procedures.

Field Procedures

Interviews will ideally be conducted in person in a location of the interviewee's choosing, but may also be conducted over the phone or via teleconference or Skype. At digital audio recorder should be used, and the researcher should also make notes on the interview to capture relevant data that the digital recording doesn't capture (i.e. context-relevant data). The Informed Consent should be reviewed at the beginning of each interview, and verbal or written consent obtained. The interviews will last 60-90 minutes and will commence with a general question aimed at initiating an informal dialogue (e.g. Describe for me, in your own words, the events of the merger/acquisition). Prior to asking this question, all interviewees will be asked if they described the focal transactions to be mergers or acquisitions. Subsequent questions will be framed using the term of preference for the participant. The interview questions listed below are intended as prompts to engage more reluctant interviewees, or to draw out data and insights from the participants, without leading them towards the objectives of the research. Immediately following each interview, the researcher should capture notes of the interview, review the audio recording for themes that begin to emerge or for areas that require more detail or exploration. Digital copies of each interview will be saved to the researcher's laptop at the end of each interview, and saved by the date and time of the interview only (not by name of interviewee).

Interview Protocol (Questions to the Interviewees)

1. Can you please describe for me, in your own words, the events of the merger/acquisition.
2. Do you believe that the cultures of the respective organizations were considered in decisions regarding these transactions?
3. In what ways do you believe the organizations were culturally well-suited to each other?
4. Were you familiar with MNP or VAN prior to the transaction? If yes, describe what you knew or had heard about them.
5. In general, do you feel that your organization and company B are similar to each other? In what ways are they similar or different?
6. Describe your perception of the cultures at your organization and at company B? How similar or different are they, and in what ways?

7. In what ways are the social norms in your organization similar to/different from company B?
8. How do you think others would describe your workgroup (those from within your workgroup and those from other workgroups)?.
9. To what extent, and in what ways, do you perceive that the organization (or your team) has changed as a result of this merger?
10. Was the decision to keep both brands intended to benefit the clients, employees, the shareholders?
11. You described there being a strong cultural fit between the two. Could you please elaborate on that and describe where you saw there being a good fit?
12. How has the cultural alignment played out? Have you experienced any challenges?
13. Often in an M&A there can be a lot of horsepower behind rolling out the strategy, but we sometimes fall short on the people side. What have you heard relating to the experience of those involved on the people side?
14. Have you been able to leverage the people synergies with the different groups?
15. How was it received by employees in two regions having the leader of the acquired business move into the top role in the merged group?
16. What was appealing to you about the job at XXX? Why did you choose to work here?
17. How would you describe the two identities going into this merger?
18. How have you evaluated the success of this merger? What metrics or indicators have you looked at?
19. What can you attribute the success of this merger to? What factor or factors do you believe accounted for this success?
20. What lessons can you take from this experience, either something you would do differently, or something you would definitely repeat, going into another M&A?

Appendix F: Field Procedures and Interview Protocol (Follow-up Interviews)

Field Procedures

The field procedures for subsequent or follow-up interviews will be the same as for the initial interviews, with the exception of the duration of the interviews, with these interviews last 20-30 minutes.

Interview Protocol (Questions to the Interviewees)

1. Was the Big B branding a source of tension for the acquired company?
2. How did you communicate the benefits of the merger to your employees, clients and shareholders?
3. Quite often during a merger, even when there is a strong and positive assimilation of the two groups, there are still some remnants of the two distinct cultures or identities that hang around. Can you give me an example of this?
4. Now that you're a few years into this merger, could you please describe for me the culture of Big B Money? Is it the same as before (Legacy Money), or VAN's culture, or is it a new culture all together?
5. When you think describe your work to others who don't know you well, who do you say you work for? (VAN, Legacy Money, Big B, Big B Money?).
6. What if anything feels different about your work compared to prior to the merger? What hasn't changed?
7. Is there still a difference between VAN and Big B Money? Can you describe it?
8. In your opinion, which group has greater status? Which one do new young talent want to work for?
9. In what way do people from the three centres (VAN, MNP, Big B Money Toronto) interact with each other? Is there a strong feeling of team and peer?

Appendix G: Summary of Case, Research Questions & Propositions

Case

This case study will explore the resistance behaviours (in the form of withholding cohesion-building behaviours) of subgroups of professionals, in response to a merger/acquisition.

Research Questions

Does continuity in professional (subgroup) identities, that transition relatively seamlessly from acquired to host organizations, offer the same adaptive or insulating effect against identity threat as superordinate identification? Or, despite the relative consistency between the subgroup identities, does the involuntary introduction of new members into a work team still arouse perceptions of identity threat and provoke the associated efforts to resist assimilation through withholding cohesion-building behaviours?

Additional questions that guide the propositions

Which factors of organizations' cultures require the greatest congruency to facilitate an M&A? To what extent does subordinate identity distort that symmetry? Does identification with the group level/organization level influence their responses? Do the dimensions of identity (i.e. salience, strength, centrality) influence discretely and equally, or only collectively? Does continuity in superordinate identity buffer the perception of identity threat at the group-level? Does continuity in group-level identity buffer perception of identity threat at the superordinate level? Is the effect similar among participants from the host and the acquired companies? How does the proposed form of resistance manifest itself? Are responses different for workers from the host and acquired groups? Do perceptions of status and dominance in the merger/acquisition influence perceptions of continuity, and in turn, resistance responses?

A Priori Theory & Proposition

Professionals undergoing a merger will demonstrate more/stronger resistance responses when their subordinate identities are inconsistent or misaligned with the subordinate identities of the acquiring group as they integrate into the host company, and this resistance will be fuelled by identity-resistance. The same response can be expected from the acquiring professionals as they welcome newcomers into their company.

- Proposition 1: Identity resistance will manifest itself in forms of withholding social cohesion-building behaviours.
- Proposition 2: The mediating effects of identity will influence resistance responses in a similar manner among participants from the host and the acquired companies.
- Proposition 3: Resistance responses to the M&A will be mitigated by stronger cultural symmetry between host and acquired firms.
- Proposition 4: The stronger the similarity between the subordinate identities of the host and acquired workers, the fewer resistance responses will be observed and reported.
- Proposition 5: Strong similarity between the superordinate identities of the host and acquired companies will not mediate resistance responses if group-level identification is very high.
- Proposition 6: If there is misalignment between the subordinate identities of host and acquired groups, resistance responses will appear from members of both groups.

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